

MEMBER ALERT



Shipowners Claims Bureau, Inc., Manager
One Battery Park Plaza 31st Fl., New York, NY 10004 USA
Tel: +1 212 847 4500
Fax: +1 212 847 4599

www.american-club.com

JUNE 27, 2019

THE DANGERS OF TRANSPORTING NICKEL ORE CARGOES – A TIMELY REMINDER

Your Managers are very grateful to Pandiman Philippines Inc., the Club's correspondents in Manila, who have provided the following reminder of the hazards associated with the carriage of nickel ore, as the seasonal export of this dangerous cargo from the Philippines gets underway.

The dangers posed by the carriage of nickel ore cargoes arising from their propensity to liquefy cannot be over-stressed. Some one hundred lives have been lost over the last ten years involving nine vessels in incidents of nickel ore liquefaction. Strict adherence to good industry practice in the analysis, monitoring and loading of cargoes of nickel ore, in compliance with the International Maritime Solid Bulk Cargoes Code (IMSBC Code), is of paramount importance to safety.

The nickel ore trade in the Philippines is one of the most active in the world. Pandiman's surveyors have attended over 4,000 vessels loading nickel ore there. The cargoes are normally loaded in Surigao between June and November. In 2018, Pandiman organized surveyors' attendance at over 200 vessels in the Philippines, amounting to some 11 million tonnes of nickel ore being loaded. ***However, there are many vessels that load nickel ore without the assistance and attendance of a surveyor.***

During 2018, Pandiman were also involved in rendering assistance to the owners and insurers of two vessels in particular – one that had loaded nickel ore in Indonesia, and which then had to seek refuge within the Philippines to deal with stability issues due to the cargo having liquefied, and another that had loaded in the Philippines and also had liquefaction problems. Unfortunately, despite numerous circulars, alerts and notices being issued by P & I clubs to their members, such incidents continue to take place.

The same problems remain – inaccurate certificates and remote loading locations

Clearly documented concerns persist as to the accuracy of the loading certificates being provided by the local mines 'in-house' laboratories. These concerns are based on the results of comparison analysis of samples undertaken by independent laboratories. These results have shown disparities of up to 10% in moisture content, with experts believing that the analysis protocol being undertaken locally for the determination of the moisture content and Flow Moisture Point (FMP) ***is not*** in line with the IMSBC Code.

MEMBER ALERT



Shipowners Claims Bureau, Inc., Manager
One Battery Park Plaza 31st Fl., New York, NY 10004 USA
Tel: +1 212 847 4500
Fax: +1 212 847 4599

www.american-club.com

The load ports in the Philippines are remote with no infrastructure; local mines stockpile nickel ore in exposed conditions on or near the foreshore; there are no actual piers or port facilities at these locations; and the ore is loaded offshore to ships at anchor via barges. The ore is unprocessed and is obtained from open cast mining and therefore exposed to the elements, especially rain during monsoon seasons. In recent years, due to climate change, the clear demarcation between dry and wet seasons has diminished, and rain can be experienced any time of the year in Surigao, Mindanao.

Advantages of having a surveyor attend onboard

Given the remote locations of the loading areas, it can be difficult to get surveyors to the load port quickly when a master of a vessel has raised a concern, and shippers are often reluctant to suspend loading.

Accordingly, it is best to have a local surveyor in place at the load port to inspect any available stockpiles **before** loading commences and then monitor the loading onboard the vessel. While the 'normal' season has not really started yet, in 2019 Pandiman have already assisted in monitoring the loading of 1.9 million tonnes of nickel ore. There is every indication the demand for this cargo is as high as ever.

The human eye cannot detect whether a cargo complies with the IMSBC Code and is safe for carriage. ***This can only be achieved*** in a reputable laboratory in controlled tests. What can be done is to recognize when the condition of the cargo being loaded should be questioned. The most familiar method to many will be the 'can test' as described in the IMSBC Code. However, one needs to also be aware the IMSBC Code states that if samples remain dry following a 'can test', the moisture content of the material may still exceed the Transportable Moisture Limit.

Warning signs

There are many technical papers on the liquefaction of nickel ore. However, masters and crew who are actually loading the cargo need to be able to recognize when a cargo of nickel ore should cause concern and, as such, requires a full analysis in a laboratory. The following are clear warning signs:

When a 'can test' shows a pancake appearance with glossy surface or free water.

When a sample of cargo in the hand can be molded like modeling clay and retains a compressed shape.

When cargo splatter is observed in the cargo holds.

MEMBER ALERT



Shipowners Claims Bureau, Inc., Manager
One Battery Park Plaza 31st Fl., New York, NY 10004 USA
Tel: +1 212 847 4500
Fax: +1 212 847 4599

www.american-club.com

If the master or crew members have any of the concerns listed above they should stop loading, advise the vessel's owner and P&I club and request an independent laboratory analysis of the cargo immediately. ***Having a surveyor attend onboard at the commencement of loading can assist the crew in knowing what to look for when cargo is delivered to the vessel.***

There are no short cuts to the carriage of nickel ore, and Members are asked to note the following mandatory survey protocol has previously been issued by the American Club to cover such cases:

MANDATORY NOTIFICATION REQUIREMENT FOR ALL NICKEL ORE CARGOES

Members who plan to fix or charter a ship to load nickel ore from ports in Indonesia and the Philippines are required to **email the following information to the Managers of The American Club at surveys@american-club.com no less than 7 days prior to loading such cargo.**

1. Ship name.
2. Port/anchorage of loading and estimated time of arrival.
3. Date of intended loading.
4. Charterer/shipper's details.
5. Agent's details.
6. Copy of the shipper's cargo declaration and supporting certificate.
7. Name and address of laboratory used to test samples.

With respect to item 6, it is appreciated that such supporting certificates may not be available 7 days prior to loading. In such circumstances, the Member should provide the Managers of The American Club with a copy of the cargo safety certificate(s) as soon as possible, or as soon as it (they) becomes available, but no less than 24 hours prior to loading.