

# **MEMBER ALERT**



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## **HEIGHTENED CONCERNS AT COMMENCEMENT OF THE 'NICKEL ORE SEASON' IN THE PHILIPPINES.**

Reference is made to the October 26, 2016 Member Alert entitled [Government Clampdown on Mining Activity and Heavy Rain in the Philippines Affecting Nickel Ore Shipments](#).

It has been reported to your Managers that the “nickel ore season” has commenced in the Philippines. Nickel ore stock piles, typically left exposed to the elements, have been subjected to continuous heavy rainfall in recent months, resulting in wet cargo that has repeatedly failed test samplings prior to shipment.

A series of recent issues that have been brought to our attention:

### **Nickel ore originating from mines**

The recent threat of mine closures and suspensions by the Philippines' Department of Environment and National Resources (DENR) has precipitated a rush to ship out as much cargo as possible prior to removal of permits or an official export ban entering into force.

As a precaution, it is strongly recommended that Members request information from the shippers/charterers evidencing that the mine has the necessary valid permits in place to export the subject cargo.

Results from independent analysis of the cargo have proven that the transportable moisture limit (TML) and moisture content tests results from the Philippine mines have been in error by as much as 10% on the 'dry' side, thus the certificates issued by the mines should not be relied upon.

### **Prior to loading**

At some mines the ore is being dug directly from the ground and taken to vessels for loading in circumstances where surveyors have been denied the opportunity to view and independently sample and test the cargo or stock piles prior to loading.

Shipowners have reported that charter parties and mines/shippers invariably forbid third party inspections of the stockpiles for independent analysis of FMP and MC, in which case such denial of access by charterers and shippers represents a serious breach of the relevant mandatory requirements set forth in the Safety of Life at Sea (SOLAS)

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Convention and associated mandatory sections of the International Maritime Solid Bulk Cargo (IMSBC) Code.

## **Rains and the requirement for further sampling and testing**

Given the unusually wet weather conditions in the Philippines, and the open uncovered stockpiling of cargo, particularly strict adherence to the following provisions of section 4.5 of the IMSBC Code is now more critical than ever:

### *4.5 Interval between sampling/testing and loading for TML and moisture content determinations*

*Sampling and testing for moisture content shall be conducted as near as practicable to the time of loading. If there has been significant rain or snow between the time of testing and loading check tests shall be conducted to ensure that the moisture content of the cargo is still less than its TML.*

## **Requirements for testing**

Analysis by a credible independent laboratory is the only way consignments of nickel ore can be properly assessed to be safe for carriage by sea. Judgment by the human eye cannot determine if a cargo complies with the IMSBC Code, and although the commonly used 'can test' method is a useful indicator of acceptable moisture content it is only a rudimentary test and cannot be relied upon to determine if the cargo is safe to carry. Sampling should be current; the interval between sampling /testing and loading shall never be more than seven days.

## **Mandatory notification of loading nickel ore**

Members are further reminded of the mandatory requirement to notify the Club's Managers no later than 7 days prior to loading nickel ore from the Philippines and Indonesia, and related shipper's documentation and certificates should be provided to the Managers as soon as they become available but not less than 24 hours prior to loading. Notification and documentation should be sent to [surveys@american-club.com](mailto:surveys@american-club.com) as set forth in [Circular No. 07/13](#) of February 28, 2017.

The Managers have previously issued various circulars and alerts related to the carriage of nickel ore and other cargoes that have the potential to liquefy. This information and further guidance can be found on the Club's website at:

<http://www.american-club.com/page/liquefying-bulk-cargoes>

It is recommended that the available guidance and information is sent to the vessel prior to loading and that the Master confirms receipt and understanding of same. Members

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are also reminded that the current edition of the IMSBC Code containing the latest amendments and guidance is the 2016 edition which should be available onboard.

Both the shippers and master have responsibilities under the IMSBC Code and Members must endeavor to support the master to the fullest extent in his decisions in order to ensure that only safe cargo is loaded.

***Due to very real dangers and potentially disastrous results associated with the liquefaction of nickel ore cargoes where the moisture content (MC) exceeds the transportable moisture limit (TML) it is strongly recommended that the services of an experienced cargo surveyor be engaged to ensure that only safe cargo is loaded in accordance with the requirements of the ISMBC.***

In the meantime, should Members have any questions, they should contact the Survey Compliance Department at +1 212 847 4500 or by email at [surveys@american-club.com](mailto:surveys@american-club.com).

The Managers would like to thank our Manila based correspondent, Pandiman Philippines Inc., for the information as provided above.