



September 16, 2002

CIRCULAR NO. 19/02

TO MEMBERS OF THE ASSOCIATION

Dear Member:

CARRIAGE OF GENETICALLY MODIFIED (GM) AGRICULTURAL PRODUCTS TO CHINA

The Association has learned recently that some vessels have encountered long delays in Chinese ports due to new regulations concerning the import of GM agricultural products.

In March 2002, the Chinese Ministry of Agriculture imposed a Temporary Procedure, which requires foreign companies to obtain a Temporary Safety Certificate in respect of certain export products to China. This stipulates the provision by the foreign exporter of a certificate from the relevant authorities in the exporting country attesting to the safety of the product in question.

At the same time, a Gene Modified Organism (GMO) Mark must be obtained from the Ministry by the Chinese importer. The Ministry will then decide within 30 days whether or not to issue a Temporary Safety Certificate, and Customs will handle clearance only after the Certificate and the GMO Mark have been obtained.

This Temporary Procedure will remain in force until December 20, 2002. It is unclear at the present time what the requirements will be after that date.

Under these circumstances, Members who are contemplating employing their vessel in the carriage of soybeans, corn, wheat, barley and other grains, or their by-products, to China are strongly advised to check with the shippers/charterers that the necessary GMO documentation has been obtained, in order to avoid any delays upon arrival at Chinese ports.

As always, the Managers will be pleased to respond to any inquiries Members may have on this subject or related issues.

Yours faithfully,
Joseph E.M. Hughes, Chairman & CEO
Shipowners Claims Bureau, Inc., Managers for
THE AMERICAN CLUB