

"SARNIA NEWS" CIRCULAR

(Ref: 257/15/BM)

To: ALL SHIPOWNER CLIENTS trading to YEMEN

13th February, 2015

Due to the political unrest in Yemen, we are aware of a number of issues that Owners should be aware when calling, including exaggerated cargo shortage claims resulting in the vessel's arrest, fabricated stevedore personal injury claims and late reporting of alleged Fixed & Floating Object (FFO) claims, whereby Pilot launches / tug boats have alleged contact with the vessel, whilst assisting during berthing/un-berthing manoeuvring, several days after the alleged occurrence.

Please find attached various information on all of the above-mentioned issues, including advice on preventative action that can be taken, which we would suggest be distributed to the relevant personnel, as well as being sent to the Master(s)/Chief Officers(s) of your vessel(s).

With kind regards,
Loss Prevention Team

Yemen - Risk: Ship arrest as a result of exaggerated cargo shortage claims in Yemen

YEMEN - Risk: Ship arrest as a result of exaggerated cargo shortage claims in Yemen

Vessels are exposed to exaggerated shortage claims in Yemeni ports resulting in possible ship arrest.

Where disputes arise there is a Claims Committee appointed which involves the Local Authority (Governor) / Harbour Master / with their appointed surveyor who can be called upon any time to conduct a joint survey with the P&I surveyors to assess the credibility of any claim.

Receivers usually try to pressure owners into quick cash settlements rather than accepting bank guarantees in the port of Hodeidah.

Assessment and Analysis

Owners and ship managers P&I correspondents should be involved from the very outset to check lorries and / or monitor silo figures. Receivers should also be encouraged to attend joint draft surveys.

It is imperative that owners work closely with their time charterers and/or shippers to resolve any potential delays to the vessel, particularly towards the completion of cargo operations.

Yemen - Risk: Fabricated stevedore personal Injury claims in Yemeni ports

YEMEN - Risk: Fabricated stevedore personal Injury claims in Yemeni ports

We have received reports that stevedores are fabricating Claims for personal injury at ports in the Yemen.

Assessment and Analysis

Owners and masters should be vigilant and monitor stevedores' activities whilst on board. Stevedore companies should be advised that any incident should be promptly notified to the master.

Yemen - Risk: Ship security as a result of unrest and acts of sectarian violence in Yemen

YEMEN - Risk: Ship security as a result of unrest and acts of sectarian violence in Yemen

P&I correspondents report of an increase in civil unrest and acts of sectarian violence in Yemen. There have been months of intense sectarian fighting between Houthi and Sunni rebels in Yemen which is threatening an attempt at national reconciliation. Yemen is a neighbour of major oil exporter Saudi Arabia and a major importer of grain cargoes. Gulf Arab states and the United States are concerned about rising violence in the Western-allied country since a popular uprising ousted President Ali Abdullah Saleh in 2011. The country is also struggling against southern secessionists and an economic crisis making the present situation extremely volatile. P&I correspondents have advised that the ports throughout Yemen are operating normally and maintained at ISPS Level 1.

Assessment and Analysis

Owners and ship managers should ensure that their crew are kept well informed of the current situation in Yemen and remain on board the vessel during its stay in port.

For the latest travel information please refer to the UK Foreign & Commonwealth office website here ("<https://www.gov.uk/foreign-travel-advice/yemen>").

Yemen - Risk: Fines, ship arrest and possible delays as a result of late reporting of Fixed and Floating Object (FFO) claims

YEMEN - Risk: Fines, ship arrest and possible delays as a result of late reporting of Fixed and Floating Object (FFO) claims

Local P&I correspondents have reported incidents where the Pilot launches and tug boats have come into contact with the vessel they are assisting and damages have subsequently been alleged. However, the notification of such incidents has only come several days after they have allegedly occurred.

Pilotage is a requirement at all Yemeni ports and the ship's Master will be guided by the pilots whilst both berthing and un-berthing.

The carrier is held responsible for any damage to fixed or floating objects (including launches and tugs) irrespective of whose navigational error it was.

Assessment and Analysis

All owners and ship managers should ensure:

1. Masters may find it advantageous to routinely take photographs of any damages to the quay or fenders whilst on approaches, as this may evidence any pre-existing damage
2. Masters should give prompt notification of any alleged FFO claim at the time they occur
3. Masters should promptly issue appropriately worded Letters of Protest to all relevant parties
4. They should appoint independent surveyors to investigate and document any alleged damages
5. Master's may wish to save Voyage Data Recorder (VDR) recordings of pilotage during visits to Yemeni reports before it is overwritten.

Yemen - Risk: Unexpected expenses and fines relating to shifting vessels, arrival draught restrictions, and discharge time in Hodeidah

YEMEN - Risk: Unexpected expenses and fines relating to shifting vessels, arrival draught restrictions, and discharge time in Hodeidah

Ship owners may be charged with shifting charges at Hodeidah because other vessels are moved to accommodate their arriving vessel.

Local P&I correspondents have advised that due to historic regulation of Hodeidah port, if other vessels require shifting in order to berth/accommodate a vessel at the quay, the shifting expenses of other vessels will always be on the account of the benefiting vessel.

For vessels arriving at Hodeida the permissible arrival draft is 32 feet (salt water). In cases where the vessel's arrival draft exceeds 32 feet, a fine of USD 3,000 will be levied for every inch over 32 feet.

Vessels can be fined when exceeding the time allowed for discharging, which is set by the port authorities according to the type of commodity and cargo gear/shore cranes. The fines are levied on the vessel at a rate per LOA per hour, which is presently about USD0.25 per foot per hour. Furthermore, should a vessel exceed the time allowed, the authorities are empowered to have her move from the berth.

Vessel arrests arising from cargo claims are common at Hodeidah.

Assessment and Analysis

Ship owners and ship managers are recommended to appoint their own surveyors to be in attendance throughout the whole discharge operation. An independent surveyor may be able to safeguard the vessel against any inflated claims from cargo interests.