

## ***"SARNIA NEWS" CIRCULAR***

(Ref: 270 /15/GP)

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TO ALL SHIPOWNER CLIENTS

27th July, 2015

### **RE: EXERCISE CAUTION WHEN TRADING TO EGYPTIAN PORTS**

Please note the below News Alert received from Gray Page. It would appear that the port authorities at the Egyptian ports of Port Said, Alexandria, Damietta and El-Dekheila are frequently alleging vessels have made contact with fenders at the berth. Most alarming is the insistence that the agents must thereafter sign a non-negotiable guarantee (the amount of the fine being unlimited), **which contains an admission of liability**, otherwise the vessel is not permitted to sail. Clearly on the basis that it is a condition of P&I cover that ship owners do not admit liability for any claim, this is likely to cause concern.

In view of the above we would urge all ship owners to notify the Master to exercise caution when berthing at the ports. In the event that contact is made the Master should take photographs, with a camera that notes the date and time on the photograph. Also a P&I surveyor should be instructed to attend immediately to inspect the damage. The agents should also refuse to sign the non-negotiable guarantee, until they have spoken to Owners, who have discussed the matter firstly with the P&I insurers.

We trust the above assists and if you require any further guidance, then please do not hesitate to contact us.

Best regards

Loss Prevention Team

**From:** Gray Page [<mailto:theresa.canning@graypage.com>]

**Sent:** 24 July 2015 18:44

**To:** Amgad Wanis

**Subject:** A new alert from Gray Page

## **Risk: Fines for fender damage claims in Egyptian ports**

### **Background**

We have received reports of an increasing number of fender damage claims at various Egyptian ports, namely Port Said, Alexandria, Damietta and El-Dekheila.

Once damage has been alleged by the port authority, the vessel is not permitted to sail until one of the following is put in place:

- The vessel's agent must sign a non-negotiable guarantee containing an admission of liability. However, such a guarantee is only accepted by port authority in certain circumstances.
- The claim is fully covered by a certified bank cheque in favour of the port authority.
- The claim is covered by an unconditional bank guarantee.

### **Assessment and Analysis**

We recommend that the following actions are taken to avoid claims arising:

- The vessel's agent should be asked to visually inspect fenders mounted on the quay where the vessel is due to berth, prior to vessel's berthing and again upon departure, and promptly report any damages to the port authority by a formal letter supported with photographs.
- The vessel's master, before berthing, may also wish to consider taking photographs of any fender suspected to be damaged, missing or found to be in poor condition, notifying the agents of such damages so that it can be promptly reported to the port authority.
- Owners may wish to consider also appointing a surveyor to inspect fenders before arrival, during berthing and after departure, notifying the agent of any damages.

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