

Circular from TradeWinds
Date: 16 January 2014**Nickel ore liquefaction strikes again despite rigorous testing**

The bulker Anna Bo got into trouble off the coast of the Philippines earlier this month while carrying nickel ore from Indonesia, the second incident involving the hazardous cargo this year.

Nickel ore cargo liquefaction is suspected to be behind another ship casualty in Asia despite owners following rigorous cargo testing and safety procedures.

It has emerged that the 56,720dwt Golden Union bulker Anna Bo(built 2010) went into a heavy list of Luzon on the northern coast of the Philippines earlier this month.

The ship was heading to the Chinese port of Ningde with a cargo of nickel ore loaded in Indonesia.

Greece's Five Oceans Salvage has been awarded a Lloyd's Open Form(LOF) contract to salvage the ship but it is understood that the crew are safe, with the vessel at anchor and not in any danger. The cargo will be lightered before the bulker is taken to a safe port.

The Anna Bo's trade and the characteristics of the incident bear a close resemblance to previous bulker casualties in the region involving the liquefaction of nickel ore. The vessel is the second known casualty of its type this year.

An official from Golden Union tells TradeWinds that the correct procedures were followed in testing the cargo.

"The vessel owners have been following all necessary proper procedures and cargo operations were under strict monitoring supervision from [the] vessel's P&I [protection - and - indemnity] surveyor," he said. "Kindly note that [the] vessel is in every respect safe together with its crew."

But concerns will be raised because the casualty involves a well-regarded operator with a quality ship who is thought to have followed correct loading and stowage procedures.

The Anna Bo appears to have been operated to a high standard and has picked up just one minor deficiency in eight port-state-control(PSC) inspections in the three years since it was built.

In response to recent casualties, P&I insurers now make it mandatory for owners to notify them if a nickel ore cargo is to be carried in order to ensure correct testing takes place.

The Anna Bo's insurer, the North of England Club, is one of the P&I clubs that has been warning its members of the dangers of cargo liquefaction.

Failure to notify insurers of a nickel-ore cargo can now compromise the insurance cover of a vessel.

This year, there has been a booming trade in nickel ore from Indonesia to China, which has raised concerns over further casualties.

There had been some suggestions that owners were reluctant to fix vessels for Indonesian nickel ore cargoes following the loss of the 52,834-dwt Trans Summer (built 2012) in August this year.

However, it appears that the booming trade in the commodity came to a sudden end following the introduction of trade-protection policies by the Indonesian government.

From January next year, the Indonesian government will introduce mineral and coal-export legislation that will, in effect, ban the export of minerals such as nickel ore unless it has first been refined and processed domestically. The ban is intended to promote the mineral-refining industry in the country. The legislation could mean that ships unable to complete loading before the ban comes into force will be detained in the country.

BY ADAM CORBETT LONDON
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Source of Information: TradeWinds

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Andrew Liu & Co., Ltd
Hong Kong - Shanghai - Fuzhou - Dalian - Singapore
Tel: +86 21 6039 9288 Email: marketing@andrewliu.com.hk
<http://www.andrewliu.com.hk>