

Ref : DMA/AIFI/97/C 898

Date: 12/05/2018

Dear Captain
Good Day,

Please find the attached informative document titled "Pre loading survey of steel coil", for your kind attention and necessary precaution measures.

You are requested to confirm receipt , discuss the contents in the next consolidated meeting on board and keep a copy in the DA-11 file .

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Best Regards,
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(Note: This e-mail has been sent as BCC <blind carbon copy to : All R.O.D.-SMC Vessels, to eliminate the lengthy list that would result if this e-mail is printed)



Pre loading survey of steel coil

Well before vessels arrival to loading port, the pre shipment survey will be arranged normally by P&I clubs on notification of owners broker. Surveyor will check the condition of cargo at warehouse before vessels arrival. Inspection of vessels holds will be carried out to ensure suitability and cleanliness of the holds for the cargo. General condition of ventilators and hatch covers will be inspected to avoid damage to cargo due to sweating or penetration of salt water to holds. One of the duties of the surveyor is to assist the master when signing the documents. The actual condition of the cargo is to be remarked in the cargo documents if the cargo is not in good apparent and condition.

Presence of P&I Club surveyor on board does not relieve the ship staff from their duty of checking the condition of the cargo they are loading.

In most contracts of carriage, the ship owner's responsibilities begin at the time of loading and it is, therefore, important to inspect the cargo at this stage. Pre-shipment inspection of cargo is undertaken to determine and document the condition of the cargo at this time. The surveyor should be instructed to survey all cargo to be loaded as near to the time of shipment as possible. In these circumstances, the surveyor would simply inspect the cargo on the quay, or in the warehouse where the cargo is kept.

The important defects which may be associated with the coils are: rusty condition, telescopic condition, deformation and dent and broken packing.

Possibly prior to the ship's arrival if all the cargo had been delivered, and report to the Master on its condition and present the written report. Usually, the surveyor should be instructed to be present when the Master signs the shipping documents. At this time, the surveyor can assist with any language problems and any disputes with shippers, agents or charterers in the clausing of mate's receipts and/or B/L. It is normally recommended that pre-loading surveys be carried out on the following products: Hot rolled steel in coils or bundles, Cold rolled steel in coils, packs or bundles, Galvanized steel, Stainless steel, Tin plates, Wire rods, Steel pipes, Structural steel (rebar, channels, angles, beams, bars, strips, sections, forgings). Certain low-value and semi-finished products, such as those listed below, normally do not require a pre-loading survey: Steel billets, Steel blooms, Steel slabs, Steel scrap, Steel swarf, Pig iron.

It should be noted that the mere failure to carry out a pre-loading survey on finished steel products does not prejudice the P&I cover. But, as always, the P&I cover may be prejudiced if the master or the member knows that the bill of lading, waybill or other document evidencing the contract of carriage contains an incorrect description of the cargo or its quantity or its condition.

Where the bill of lading shows that something was wrong with the cargo at the time of loading the buyer may be able to reject the cargo under the contract of sale, or at least claim damages from the seller. On the other hand, if the bill of lading states that the cargo was in apparent good order and condition at the time of loading and at discharge it is not in the same order and condition, then the receivers will not have a claim under the contract of sale, but instead will have a claim under the contract of carriage, that is, a claim against the carrier. In virtually all jurisdictions, the carrier is unlikely to have any defense whatsoever to such a claim if in fact the damage existed prior to loading and such damage was known by the master to exist, but the bill of lading was issued clean.