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## TT Club backs moves by box lines to penalise 'mis-declarers'



Will Waters | Thursday, 08 August 2019

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**Freight insurance specialist TT Club has backed recent moves by container lines to penalise shippers found mis-declaring hazardous cargo, describing such a practice of mis-declaration as “strongly suspected as being either the cause of, or at least contributory to, the spate of container ship fires in recent months”.**

Several carriers including Maersk, Hapag-Lloyd, HMM and OOCL have introduced fines of several thousands of dollars for shippers who misdeclare hazardous cargo. TT Club said it backed the moves to discourage shippers from mis-declaring cargo, adding: “TT Club welcomes such initiatives by liner operators, as the international transport insurer has growing concerns about the lax cargo packing practices and erroneous, sometimes fraudulent, declaration of cargoes.”

Under the banners 'Cargo Integrity' and #Fit4Freight, TT Club said it “has been collaborating with stakeholders through the freight supply chain to highlight on-going risks, including severe ship fires, arising from poorly packed and declared cargo. In light of the increase in incidents, the loss of life, significant costs and delays to cargo deliveries, the lines are strengthening their inspection procedures and imposing fines on those shippers found to have mis-declared.”

Peregrine Storrs-Fox, TT Club's risk management director, commented: “Clearly, the shipper has primary responsibility to declare fully and honestly so that carriers are able to take appropriate actions to achieve safe transport. Since this is not always the case, carriers have to put in place increasingly sophisticated and costly control mechanisms to 'know their customers', screen booking information and physically inspect shipments.

“Equally, carriers have the opportunity to review any barriers to accurate shipment declaration, including minimising any unnecessary restrictions and surcharges. Penalising shippers where deficiencies are found should be applauded.

“Furthermore, government enforcement agencies are encouraged to take appropriate action under national or international regulations to deter poor practices further.”

TT Club said its 'Cargo Integrity' campaign seeks not only to promote awareness of good practice, such as set out in the CTU Code, “but also to reveal the plethora of influences from both direct and indirect stakeholders within the supply chain that result in behaviours leading to dangerous incidents on land or at sea”.

Storrs-Fox continued: “A key element of the campaign is to identify levers – both sticks and carrots – that are available to improve a safety culture in container transport, including considering unintended consequences inherent in trading arrangements or fiscal/security interventions and the possibilities presented by technological innovation.”

Hapag-Lloyd has reportedly instituted a penalty of \$15,000 per box for misdeclared cargoes from China, effective from 15 September. The German carrier saw a fire on board its ship Yantian Express earlier this year, which took weeks to extinguish.

According to Lloyd's List, South Korea's HMM has also brought in penalties at the same rate, while Hong Kong's COSCO-owned OOCL is introducing fines of unspecified amounts.

As reported in *Lloyd's Loading List* in January, the world's largest container line Maersk has begun checking whether import and export cargo in four US ports – Newark Berth 88, Houston Bayport, Miami Pomtoc and New Orleans Ceres terminals – to verify that contents match descriptions given and that cargo is correctly stuffed, latched and