



International Chamber of Commerce

The world business organisation

International Maritime Bureau

Case study

M V HARPERS

Introduction

Messrs CABCO have been in the freight forwarding business since 1980. They specialise in handling exports of timber and plywood from east Malaysia.

CABCO have just won a contract to arrange the shipment of a large quantity of timber to South Korea with prospects of further shipments. As this is the first shipment, CABCO's objective is to ensure that the shipment reaches its destination.

You are the managing director of CABCO.

Please go through part I of the case study, directing your attention to anything unusual in this fixture.

Do you foresee any problems with this shipment?

Part I

- On 12 April Maltrans, one of the main exporters of timber from Sabah in Malaysia negotiated a sales contract of 8,000 m³ of sawn timber with a Korean buyer at a price of US\$ 400 per m³, c&f Inchon in Korea. Maltrans approached CABCO to find a vessel to carry this cargo for them.
- On 22 April, CABCO fixed M V Harpers, with the following particulars;

***DWT: 9,982 MT, BUILT: 1979, TWEEN DECKER: 5 HOLDS - 3 HATCHES.
CAPACITY: 14,832 M³ (GRAIN), 13,950 M³ (BALE), LOAD RATE 1,000 M³/DAY,
FRT US\$ 23 PCBM, FI.***

- A total of four shipbrokers were involved in this fixture. Broking commission was fixed at 2.5 % per broker. In addition, CABCO were to get 2.5 % freight commission.
- On 24 April, CABCO received a fax from a Mr. Ronald Lew of Turh Marine Co Ltd of Bangkok (Turh), the owners of M V Harpers. Mr. Lew confirmed the appointment of CABCO as owner's agents at Tawau at a fee of US\$1 / CBM. CABCO were asked to advance the master US\$ 10,000 cash at Tawau to be offset against the freight earnings.
- M.V Harpers arrived at Tawau on 25 April at 2200 hours under the command of Capt U Aye Maung. The master submitted details of vessel's certificates a "voyage memo" and a "crew list" (*appendices 1 and 2*) to the authorities in Tawau.
- The port authority, customs and marine department at Tawau approved the loading. Loading commenced on 27 April. During the vessel's stay, the master requested provisions, stores and bunkers amounting to US\$104,024. Turh approved this and asked CABCO to deduct the costs from freight earnings. On 29 April, a young lady called at CABCO's offices in Tawau and delivered a package containing blank bills of lading from Turh.
- M V Harpers completed loading 8,000 m³ of timber on 7 May at 0700 hours. Maltrans (shippers) approached the master along with CABCO and requested him to under-declare the cargo on the manifest by 25%. Maltrans said that by doing this, they would save on the Malaysian export taxes and the buyer would be subject to a lesser amount of Korean import duty. The master agreed to comply with this provided he was paid US\$ 3,000 in cash.
- Thus CABCO issued a bill of lading specifying the quantity loaded as 6,000 m³. A copy of the bill of lading is attached (*appendix 3*). Maltrans paid US\$3,000 cash to the master. M.V Harpers sailed on 7 May at 0930 hours. Her ETA Inchon was 15 May.
- The Korean buyer insured the manifested quantity i.e., 6,000 m³ under the institute cargo clauses "C" with a Korean underwriter.
- On 10 May, after agreeing with the disbursement account, Turh instructed CABCO to pay the balance of the freight (US\$38,976.) to the following bank account.

*Beneficiary: Miss Benazir Sein, Current a/c no 0812 56411 2
The Siam commercial bank ltd, Sukumvit 71, Phrakonong, Bangkok,*

CABCO remitted the above sum on 13 May and awaited vessel's safe arrival at Inchon.

V/S NAME : M V HARPERS / 3FID3
 FLAG : PANAMA

DATE 25.04.....
 PORT OF TAWAU.....

SHIP CERTIFICATE.

	<u>ISSUE DATE</u>	<u>EX: DATE</u>	<u>REMARKS</u>
1: SHIP'S CERTIFICATE REGISTER	: 01.4.	: 29.6.	:
2: SAFETY EQUIPMENT CERTIFICATE	: 30.3.	: 29.8.	:
3: SAFETY CONSTRUCTION CERTIFICATE:	30.3.	: 29.8.	:
4: SAFETY RADIO CERTIFICATE	: 30.3.	: 29.8.	:
5: OPERATING CERTIFICATE	: 30.11.	: 30.5.	:
6: LOAD LINE CERTIFICATE	: 30.3.	: 29.8.	:
7: LAST PORT CLEARANCE	: 18.4.	:	:
8: OIL POLLUTION CERTIFICATE	: 30.3.	: 29.8.	:

SHIP NAME: M V HARPERS
 FLAG : PANAMA

DATE..... 25.04.....
 PORT OF TAWAU.....

VOYAGE MEMO

	<u>ARRIVAL</u>	<u>DEPARTURE</u>
SINGAPORE	14.03.	19.03.
HONGKONG	25.03.	26.03.
INCHON	31.03.	05.04.
YANTAI	06.04.	12.04.
MANILA	18.04.	23.04.
TAWAU	25.04.

MASTER

CREWS LIST

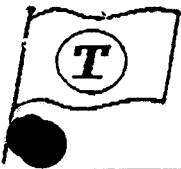
SHIP NAME: M V HARPERS

DATE 25.04.....

FLAG : PANAMA

PORT OF: TAWAU.....

NO:	NAME	RANK	NATIONLITY	DATE OF BIRTH	C.D.C, NO	JOINT PORT
1:	U AYE MAUNG	MASTER	MYANMER	:27.09.53	: 6003	: BKK- 10/3
2:	U MAUNG MAUNG ZAW	C/O	"	:14.12.53	: 9690	: BKK- 10/3
3:	KO WIN HTAY	2/O	"	:27.03.55	: 12993	: S'PORE- 15/3
4:	U KYAW KYAW SOE	ASSt:2/O	"	:03.03.53	: 17409	: S'P)RE- 15/3
5:	TOE BAW THEIN	3/O	"	:28.12.56	: 15928	: S'PORE- 15/3
6:	MAUNG MAUNG AUNG	4/O	"	:19.12.61	: 16411	: S'PORE- 15/3
7:	U AUNG SOE NAING	R/O	"	:15.09.49	: 15229	: BKK- 10/3
8:	CHO ZAW LIN	C/E	"	:02.08.49	: 19391	: BKK- 10/3
9:	AUNG ZAW MIN	2/E	"	:20.04.63	: 13016	: BKK- 10/3
10:	MAUNG HTIN ZAW AUNG	3/E	"	:12.11.61	: 19828	: BKK-10/3
11:	MAUNG YE HTIN	4/E	"	:20.09.58	: 18047	: BKK- 10/3
12:	KYAW SWA Oo	5/E	"	:30.10.67	: 20309	: S'PORE- 15/3
13:	TUN KHIN	E/O	"	:10.06.55	: 14525	: S'PORE- 15/3
14:	AUNG MYINT SOE	E/O	"	:13.12.53	: 17022	: S'PORE- 15/3
15:	TIN WIN	BOSN	"	:27.04.65	: 24858	: BKK- 10/3
16:	WIN YHU AUNG	A/B	"	:18.06.65	: 14409	: BKK- 10/3
17:	MOE HAUNG	"	"	:15.09.59	: 23786	: S'PORE- 15/3
18:	MAUNG NYO SELN	"	"	:12.12.68	: 18796	: BKK- 10/3
19:	AUNG KYAW HEIN	"	"	:04.04.66	: 25663	: S'PORE- 15/3
20:	NAUNG ZAW LWIN Oo	CASSB	"	:03.03.64	: 19858	: S'PORE- 15/3
21:	MAUNG MYINT AUNG	FITTER	"	:22.12.68	: 18796	: BKK- 10/3
22:	AUNG MOE WIN	OLR	"	:03.07.60	: 23552	: BKK- 10/3
23:	KHIN MAY ZAW	"	"	:01.12.58	: 23499	: BKK- 10/3
24:	TUN MOE	CST	"	:30.10.49	: 16868	: S'PORE- 15/3
25:	SOE ZAW HLAING	TCS	"	:14.12.66	: 18534	: S'PORE- 15/3
26:	MAUNG THEIN Oo WIN	C/COOK	"	:01.05.44	: 16368	: S'PORE- 15/3

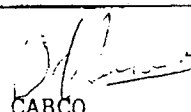


บริษัท ตัก มารีน จำกัด
TURH MARINE CO., LTD.

LINER
BILL OF LADING
ORIGINAL

(2) Shipper /Exporter (Complete Name and Address, Zip Code) MALTRANS INDAH SDN BHD POB 1211, 91006 TAWAU EAST MALAYSIA Shipper code		(5) Document No.
(3) Consignee (complete name and address) TO THE ORDER OF HAMI BANK, SEOUL		(6) Export References
(4) Notify Party (complete name and address) THORWOOD INDUSTRIES LTD INCHON Notify code		(7) Forwarding Agent (Name and Address, F.M.C. No.)
(13) Place of Receipt /Date		(8) Point and Country of Origin (for the Merchant's reference only)
(14) Ocean Vessel /Voy. No. M V HARPERS		(9) Also Notify Party (complete name and address)
(15) Port of Loading TAWAU		In Witness Whereof, the undersigned on behalf of GARUDA LINE, the Master and the Owner of the Vessel has signed the number of Bill (s) of Lading stated below, all of this tenor and date, one of which being accomplished, the others to stand void.
(16) Port of Discharge INCHON		
(17) Place of Delivery		(10) Onward Inland Routing/Export Instructions (for the Merchant's reference only)

Particulars furnished by the Merchant

(18) Container No. And Seal No. Marks & Nos.	(19) Quantity And Kind of Packages	(20) Description of Goods	(21) Measurement (M ³) Gross Weight (KGS)
HTK/INCHON RED	5,960 BDLS	MALAYSIAN SAWN TIMBER MALAYSIA ORIGIN LETTER OF CREDIT : A619 - M80716 "FREIGHT PREPAID"	6,000 M3
(22) TOTAL NUMBER OF CONTAINERS OR PACKAGES (IN WORDS)			(23) Bedated Value \$ If Merchant enters actual value of Good and pays the applicable ad valorem tariff rate, Carrier's package limitation shall not apply.
(24) FREIGHT & CHARGES	Revenue Tons	Rate	Per Prepaid Collect
(25) B/L NO. TAW/INC - 1	(27) Number of Original B (s)/L THREE (3)	(28) Place of B (s)/L Issue/Date TAWAU 07.05.	(29) Prepaid at (30) Collect at (31) Exchange Rate (32) Exchange Rate
(26) Service Type	(33) Laden on Board	By  CABCO	

(TERMS OF BILL OF LADING CONTINUED FROM BACK HEREOF)

AS AGENTS FOR THE MASTER