



PRESS RELEASE
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New container weighing rules: GSF says unjustified VGM charges are unacceptable

The new container weighing regulations which take effect globally today, 1 July 2016, were introduced to enhance maritime safety and reduce the dangers to containerships, their crews and all those involved throughout the maritime supply chain.

Recognising the crucial importance of safety in the maritime sector, the Global Shippers' Forum has consistently taken a constructive approach to the verified gross mass requirements and played a key role in IMO in securing flexibility in the requirements to enable shippers to make accurate VGM declarations at minimum cost and disruption to international trade. As a result, shippers have two methods of providing a VGM; by weighing the fully loaded container using calibrated and certified equipment or by using a calculated weight method where the shipper can sum the cargo items, packing and securing materials and add the tare of the container.

GSF has worked with shipping, terminal and cargo handling associations worldwide to ensure shippers and supply chain partners are aware of the requirements and has developed joint industry guidance to assist shippers and other maritime industry stakeholders with compliance and implementation of the new rules. This guidance is available on GSF's website www.globalshippersforum.org

GSF is especially pleased to note the flexible and equivalent weighing and reporting methodologies that have emerged in recent weeks.

Its expectation is that the overwhelming majority of VGM service providers will act ethically and will only charge for actual third party services provided to the shipper at reasonable prices that reflect the cost of providing those services.

The new rules merely require the shipper to provide an accurate VGM to the carrier or the terminal operator using the prescribed methods in the IMO rules. Where the shipper undertakes the weighing process himself to determine the VGM and notifies this to the carrier or terminal operator in the agreed manner, there is no justification for any VGM charge to be applied.

The maritime sector has sought the introduction of these new rules to enhance maritime safety. It is a reasonable expectation of shippers that carriers and terminal operators will put in place procedures for acceptance of a VGM. This is no different to arrangements previously in place prior to today, 1 July 2016, except that the shipper must now provide an accurate VGM in compliance with the new rules. There is consequently no justification for carriers and terminal operators to apply any charge for a shipper making an accurate VGM declaration.

Regrettably GSF members, mainly in Asia and Africa, report that some carriers and other 'service providers' appear to be exploiting the introduction of the new VGM rules by imposing exorbitant and unjustified charges for questionable and unspecified "administration fees" and other "services".

The GSF is calling for those charges to be withdrawn immediately. The GSF is currently examining the following examples provided by members and will be taking them up with the service providers:

- **China:** The global forwarding company Kuhne and Nagel is charging a VGM administration fee for all K&N shipments booked in China - specifically USD 12.75 for full containers if shippers are using the K&N electronic VGM system, or USD 25.00 for manual data entry.

Similarly, OOCL Logistics have announced that they will be charging a Verified Gross Mass (VGM) Administration Fee of USD 15 per document for all exports from China.

- **Nigeria:** The logistics and shipping firm Grimaldi Agency Nigeria have notified customers that they will weigh containers on departure at a cost of N20,000 per 20 foot container and N40,000 per 40 foot.
- **Sri Lanka:** GSF members have advised that shipping lines are considering charging shippers USD 25 for submitting the VGM, and, in cases where the final weight differs from the booked weight, an additional charge of USD 50 for amending the VGM.
- **UK & Ireland:** The ports group DP World, which owns both Southampton and London Gateway ports, impose a £1.00 charge for VGMs provided prior to arrival (rising to £3.00 after box arrival but before 24 hour cut off).

Chris Welsh, GSF Secretary-General, said: "Shippers worldwide support the safety goals of the container weighing requirements and are committed to fulfilling their regulatory requirements, but this should not be used by supply chain partners as an excuse to impose unjustified fees.

"This is particularly concerning for developing countries, especially in Africa and Oceania, which according to the United Nations Conference on Trade and Development (UNCTAD) pay 40 to 70 per cent more on average for the international transport of their imports than developed countries (UNCTAD Maritime Report, 2015)."

Notes for editors

For further information please call the FTA press office on 01892 552255 or email press.office@fta.co.uk

The Global Shippers' Forum (GSF) is the global voice for shippers, created in 2006 as the successor to the Tripartite Shippers' Group, first organised in 1994. Like the Tripartite Shippers' Group, the GSF represents the interests of various national and regional shippers' organisations in Asia, Europe, North and South America and Africa. The GSF is focused on the impact of commercial developments in the international freight transportation industry and the policy decisions of governments and international organisations that affect shippers and receivers of freight. The GSF was formally incorporated and registered as a non-governmental organisation in the United Kingdom in June 2011.