

GAC opens up off Sri Lanka

GAC's in-house ship-to-ship (STS) transfer concern GAC Transfer Services (GTS) has opened a fully-equipped base in Sri Lanka.

The company said that this move was in response to the growing demand for LPG imports and exports of clean products in the Indian Subcontinent.

STS equipment, such as fenders and hoses, in accordance with industry standards, is stored at GAC's base in Galle, which is strategically located at the southern tip of the island and is ready to be transported by tug to different locations, according to demand and conditions.

Experienced GTS operators work in conjunction with their GAC Sri Lanka counterparts to take care of all local arrangements, such as government permits, clearances, storage and transportation.

Lars Bergstrom, GAC Group vice president – Indian Subcontinent, said the choice of Sri Lanka as the regional base for STS operations offered a logical solution for principals without incurring high costs, or getting caught up in red tape.

“India is a very important market with growing demand for STS, but there are

logistical issues due to bureaucracy and high costs of locating there.

“Thanks to its proximity to that market and its key geographical position close to major east-west shipping lanes, Sri Lanka was a natural choice for the expansion of STS services to the region,” he explained.

Safety compliance

The main commodities handled include LPG (-50 deg C), crude oil, fuel oil and gas oils, all in line with OCIMF and International Chamber of Shipping (ICS) guidelines and in strict compliance with the GAC group's HSSE policy, quality management system and all local and international safety, security and environmental regulations.

Most operations will be carried out off port limits (OPL) without any port authority intervention. During the southwest monsoon season between June and October, STS operations will be concentrated in the more sheltered areas OPL Trincomalee and at OPL Galle and Colombo during the December to April northeast monsoon season.

All operations are supported by boats owned and operated by GAC Sri Lanka according to the highest safety standards,

the company claimed.

In 2009, three decades of civil war officially came to an end and in 2010 the London-based joint cargo committee of the Lloyd's insurance market removed Sri Lanka from the War Risk Rating.

That opened the way for the expansion of GAC's STS operations to complement existing services such as ship agency, bunker supplies and the ship supply service (SSS), which uses a fleet of 10 modern high speed service craft to deliver supplies and personnel to vessels in international shipping lanes without them having to deviate from their course.

Agency, STS, SSS, bunker supplies and other services can be provided as part of an integrated package of shipping, logistics and marine solutions that GAC provides from the ports of Colombo, Galle, Trincomalee and, most recently added - Hambantota.

GAC currently offers STS transfer operations from over 10 bases, including Rotterdam, Amsterdam and Flushing in the Netherlands, Gibraltar in Spain, Frederikshavn and Kalundborg in Denmark, Gothenburg in Sweden, Malta, Cyprus, Malaysia, Vietnam, the Arabian Gulf and Indian Ocean.

TO

Beware of LOIs

The OnlineSTS team has issued the following warning about the issuing of LOIs.

Before conducting an STS operation, some service providers issue letters of indemnities (LOIs) to the Masters of the vessels and request that they should be signed on behalf of the owner and prior to the commencement of an STS operation.



The Port of Rotterdam has set up dedicated ship-to-ship transfer areas within the Europoort complex.

Following several contacts, as well as discussions with P&I clubs, the following procedure is recommended to be adopted by the shipowners as a standard policy.

- 1) Masters/managers should avoid signing LOI's given by STS service providers.
- 2) If the STS service provider insists, then the P&I club should be immediately informed and consulted. It is of utmost importance that the P&I club should be made aware of the LOI, otherwise, the owner may not be covered in case of an incident.
- 3) Masters/ managers should only sign the LOI, incorporating any suggestions from their P&I club.

Managers should be able to provide evidence, such as email communication, with

STS service providers, supporting their rejection of signing the LOI's, according to Step 1 above, as this evidence is highly essential for the P&I clubs.

Indeed, the signing of LOIs without prior consultation with their P&I club might result in conflict with managers' coverage.

Furthermore, in some LOIs, contractual duties with reference to the third party indemnity are included, which appear to be out of the scope of the P&I coverage, as agreed with the shipowner.

STS service providers may accept partial liability on condition that the shipowner provides evidence that the incident occurred due to gross negligence by the provider/ POAC (person in overall advisory control) etc. In this case the owner bears the burden of proof.

It should be noted that P&I clubs understand the commercial implications and time constraints in STS operations and endeavour to support their clients provided that they have been fully informed in advance, OnlineSTS concluded.

TO