

LP 21/2026 An Authoritative Report ≠ Conclusive Evidence: Breaking Through Cargo Shortage Claims

Cargo shortage is one of the most common claims in maritime carriage of goods. When receivers produce draft survey reports from authoritative bodies such as CCIC, carriers often wonder whether any defense remains. In a nickel ore shortage dispute tried before the Tianjin Maritime Court, the answer was yes. The Club engaged an expert who demonstrated that the CCIC surveyor had applied the wrong sign to the Longitudinal Center of Flotation (LCF) correction. The court accepted the expert evidence and dismissed the claim in its entirety. This case confirms that authoritative third-party reports are not absolute and offers carriers a practical approach to defend shortage claims.

I. Facts and Disputes

1. Facts

The Member's vessel carried approximately 20,000 mt of nickel ore from Indonesia to China. Two clean bills of lading were issued for cargoes of approximately 9,000 mt and 10,000 mt. At the first port there was an over-delivery of 1.6 mt. At the second port, the consignee alleged a shortage of approximately 110 mt, and combining the two eventually claimed a total shortage of approximately 100 mt. The cargo insurer ("the Claimant") paid 60% of the assessed loss to the consignee and obtained subrogation, then sued the Member before the local Maritime Court.

2. The Claimant's Core Evidence

The Claimant relied on the following evidence chain:

- Load-port draft survey confirming cargo weight consistent with the bills of lading.
- Tally sheets at the first discharge port confirming the 1.6 mt over-delivery.
- CCIC draft survey at the second port showing a shortage of approximately 110 mt.
- An adjuster report prepared on the basis of the CCIC report.

The Claimant asserted the shortage occurred during the carrier's period of responsibility and sought compensation.

3. Issues in Dispute

The dispute turned on two questions: (i) whether a shortage actually occurred during the carrier's period and, if so, in what amount; and (ii) whether the Claimant suffered actual loss. The pivotal issue was the accuracy and reliability of the CCIC draft survey report. The carrier's defense was built around this.

II. The Carrier's Three-Pronged Defense

1. Computational Errors in the CCIC Report

The Member showed that the hatch seals were intact before discharge at the second port and that the crew's own draft survey showed no shortage. A detailed review of the CCIC report revealed serious computational errors. The Club hence engaged an expert in draft surveying to testify in court.

The expert explained that draft surveys calculate cargo weight from changes in a vessel's displacement. Per Chinese standard SN/T3023.2-2021, trim corrections comprise the Layer Correction (1st correction), which depends on the LCF (Longitudinal Center of Floatation), and Nemoto's correction (2nd correction). The LCF is the distance between the vessel's midship section and the geometric center of the water-plane area. It must be assigned "+" if aft from midship and "-" if forward.

At the time of the final draft survey after discharge, the CCIC surveyor applied the wrong sign to the LCF, effectively reversing the Layer Correction and producing a distorted displacement figure. This was not a clerical error but a computational mistake sufficient to undermine the accuracy of the entire survey conclusion.

In addition, the CCIC evidence-gathering procedure was flawed. No vessel personnel were present during the draft survey, and no video recording was made. Under standard practice, draft surveys should be witnessed by a ship's representative.

2. The Claimant's Adjuster Report Adopted the CCIC Findings

The adjuster report was built entirely upon the CCIC report. The adjuster had not independently reviewed the CCIC report's computational accuracy but had simply adopted it as the basis for loss assessment. The report also contained typographical and computational errors. Once the CCIC report was shown to contain serious errors, the adjuster report – which lacked independent verification – collapsed with it.

3. No Actual Loss Under the Sale Contract

The sale contract provided that final payment would be based on quality and weight certificates issued by the buyer's appointed surveyor at the discharge port. This meant the parties' final settlement was determined by the discharge port measurement, not by the load port weight recorded in the bills of lading. If the consignee settled on the discharge port figure, it had not suffered actual loss from any shortage – the contract had already allocated that risk. Consequently, any payment by the insurer to the consignee was irrelevant to the shipowner.

III. Court Decision

The Maritime Court held that, under Article 67(1) of the Civil Procedure Law, a party bears the burden of proving the facts supporting its claim. The Claimant failed to do so.

The Claimant's evidence consisted of the CCIC draft survey report and the adjuster report derived from it. The Club's expert demonstrated that the LCF was incorrectly signed, distorting the calculation. The court found the expert's opinion well-founded, rigorous, and correct, and adopted it. The evidentiary weight of the CCIC report and the adjuster report was not recognized. Moreover, the vessel's own draft survey showed no shortage against the bills of lading, and the Claimant produced no evidence to rebut this. The court accordingly dismissed the claim in its entirety.

IV. Key Takeaways

1. Reports by authoritative institutions are not conclusive. Even reports from third parties such as CCIC must be critically examined for procedural and computational accuracy. Shift the dispute from the conclusion to the process – demonstrating flaws in how a report was produced diminishes its significance.

2. Expert witnesses are decisive in technical disputes. The carrier's expert translated the complex technical details of LCF correction into a logical chain the court could follow. In technically complex cases, legal argument alone is often insufficient.

3. Avoid reliance on a single piece of evidence. The Claimant's adjuster report was entirely founded on the CCIC report without verification. When that foundation crumbled, so did the claim, subjecting the claimant's entire evidential chain to scrutiny.

4. Preserve discharge port draft survey records. The carrier's defense relied not only on challenging the CCIC report but also on presenting its own draft survey records for comparison. A robust documentary record is the most solid foundation for defending cargo claims.

5. Sale contract terms may provide a critical defense. If the receiver settled the trade based on the discharge port measurement, it had not suffered actual loss, and the claim lost its foundation.

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