
Bulk Liquid Cargo Shortage Claims in China

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I. Introduction

Cargo shortage occurs frequently in bulk liquid cargo carriage due to various kinds of reasons. In cases of dispute over bulk liquid cargo shortage under a contract of carriage of goods by sea, generally carriers plead for exemption from compensation liability by raising various defences, while in the Chinese maritime judicial practice, different courts or even one court in different cases may have different attitudes towards such defences.

Through research and analysis on 22 precedents rendered by various levels of Chinese courts regarding bulk liquid cargo shortage claims, this article aims to reveal the main viewpoints of Chinese courts on carriers' defence of liability exemption in such kind of claims, and gives carriers some advice on how to avoid or mitigate these claims.

II. Carriers' defence of liability exemption

On the basis of comprehensive analysis of the 22 precedents (please refer to the attached *Case Summary of 22 Precedents Rendered by Chinese Courts* for details), it is found that carriers' defence of liability exemption from liquid cargo shortage claims usually focuses on two aspects. The first is to argue that no shortage occurred to the cargo during the period of carriers' responsibility. The second is to argue that, even if there existed shortage of the cargo, carriers shall not undertake any compensation liability.

As for the second aspect, carriers argue for liability exemption under Chinese judicial practice mainly from the following perspectives:

1. **Natural characteristic of liquid cargo.** As Article 51.1.9 of the *Maritime Code of PRC* (CMC) provides that the carrier shall not be liable for the loss of or damage to the goods occurred during the period of carrier's responsibility arising or resulting from the nature or inherent vice of the goods, carriers often tend to argue that the shortage due to cargo remaining onboard after discharge, increment of free water during transportation etc. are all natural characteristics of liquid cargo, and then invoke the said provision under the CMC to exonerate themselves from the compensation liability.

2. **Allowable measurement error and natural/reasonable loss.** In bulk liquid cargo claims, it is also quite common for carriers to hold that allowable measurement error and natural/reasonable loss as an international practice shall be taken into consideration in case of cargo shortage, so that the carriers shall be entitled to exemption of compensation liability to a certain extent accordingly.

3. **Cargo interests fail to prove that the cargo shortage occurred during the period of carrier's responsibility.** In the *Reply of the Supreme People's Court on Request for Instructions on Application of Law in the Case Nanjing Oil Transport Co., Ltd. vs. Huatai Property Insurance Company Ltd. Shijiazhuang Branch Concerning Dispute over Insurance Subrogation under Contract of Carriage of Goods by Sea ([2005]MSTZ No.1-1, hereinafter referred to as "Reply")*, the period of carrier's responsibility for carriage of bulk liquid cargo is clarified, i.e., *"the responsibilities of the carrier with regard to the bulk liquid cargo covers the entire period during which the carrier is in charge of the cargo, starting from the time when the cargo leaves the tail end of the flange plate connecting the oil pipeline of the vessel with the oil pipeline of the shore tank at the loading port, until the time when the cargo leaves the tail end of the flange plate connecting the oil pipeline of the vessel with the oil pipeline of the shore tank at the discharge port."*

4. **Insurance coverage and deductibles.** In cargo insurers' subrogation claims, carriers usually raise this defence against the scope of the insurer's subrogation right.

III. Chinese courts' view on carriers' defence of liability exemption

➤ Whether cargo shortage occurred during the period of carrier's responsibility?

1. In order to determine whether cargo shortage objectively occurred, the direct method is to compare the cargo quantity at the loading port (hereinafter referred to as "loading quantity") and that the carrier delivers to the consignee at the discharging port (hereinafter referred to as "delivery quantity"). While Chinese courts commonly hold such an opinion that the loading quantity should be subject to the indication on the B/L if a B/L is issued by the carrier, regardless the measuring means adopted to obtain the quantity indicated thereon, it is clarified by the Reply that the Dry Certificate/ROB Report and Ullage Report provided by carriers shall have the force to manifest the delivery quantity, and the shore tank weight survey report submitted by the consignee shall not have such a force

unless otherwise agreed by the carrier.

2. In cases of claim for shortage of oil products (such as crude oil), the quantity of crude oil is measured from two perspectives, volume and weight, and it is usual that the crude oil is short in volume but not in weight, or short in volume but not in weight, or the shortage in volume is not consistent with the shortage in weight. As such, there has been much debate as to which unit of measurement should be used to determine whether the shortage of the crude oil occurred. Even though Chinese courts used the unit of weight to determine whether the shortage of the crude oil occurred, as can be seen from the precedents surveyed, it appears questionable to us.
3. As discussed above, carriers often invoke the allowable measurement error and natural/reasonable loss as a cause of exemption from the compensation liability. It is worth noting that, in some claims, the courts directly refer to reasonable error of static weighing of liquid products and reasonable loss allowed by international maritime oil shipping industry to determine no shortage/short discharge existed.

➤ **Whether carriers are entitled to exemption from all or part of the compensation liability and for cargo shortage?**

1. The carriers' defence of "the natural characteristic of liquid cargo" has been widely recognized by Chinese courts. Moreover, according to Article 51.2 of CMC, the carrier shall bear the burden of proof for establishing the exemptions, i.e. proving the cargo shortage was caused by the "the natural characteristic of liquid cargo".
2. It is quite common for Chinese courts to support carriers' defence of "allowable measurement error and natural/reasonable loss" and exonerate or mitigate carriers' substantial burden of proof for such defence. However, in recent years some maritime courts and their higher courts tend to adopt a stricter examination and determination criterion for this kind of defence, and require carriers to bear the burden of proof as required by the laws, that is to say, the carriers shall prove that measurement error existed, that the cargo shortage was caused by measurement error, and that it is the shipping practice that the carrier may be exempted from the liability for measurement error.
3. As for the carriers' defence against the scope of cargo insurers' subrogation right, Chinese courts accept that the subrogation right of insurers shall be limited to the amount of the insurance indemnity paid in

accordance with Article 93 of the *Special Maritime Procedure Law of the People's Republic of China*. As for the defence of the “deductibles”, in case that the insurers' claim had already deducted 0.5% of the cargo shortage (deductible as agreed in the insurance policy), the courts usually will not support carriers' such defence for the reason that the factors such as different measurement methods, measurement errors and reasonable moisture variation that may result in cargo shortage should not be considered repeatedly.

IV. Advice to carriers

In order to avoid or mitigate claims for cargo shortage, prudent carriers are suggested to ensure the following:

1. Issue a B/L with a figure that matches the ship's figure (evidenced by an ship's Ullage Report) at the loading port;
2. If there is discrepancy between the B/L figure and ship's figure, then try to insert on the B/L such remarks as “quantity said to be”, “quantity unknown” or any similar phrases; (please be noted that not all Chinese courts recognize the effect of such remarks, but they certainly are harmless.)
3. If inserting remarks on B/L is not feasible, try to obtain from the shipper/charterer a Letter of Indemnity that guarantees the accuracy of the B/L figure and carrier may be indemnified if it is inaccurate;
4. Try to include an exemption clause in B/L (or charter party) terms like “Parties acknowledge and accept a risk of shortage not exceeding 0.5% of bulk liquid cargo during carriage, for which the Carrier shall not be responsible or liable for any losses caused therefrom”;
5. Keep regular and detailed records of the condition of the liquid cargo onboard and the ship's operation, and in case of carriage of oil products, pay special attention to the increment of free water as well;
6. Well preserve the ROB Report or Dry Certificate and the ship's Ullage Report at the discharging port to evidence the delivery quantity of the cargo;
7. When encountering cargo shortage disputes, engage professional lawyers to deal with evidence collection and prepare defence against the cargo interests as early as possible.

Case Summary of 22 Precedents Rendered by Chinese Courts

Supporting carriers' defence of liability exemption				
No.	Court	Case No.	Cargo	Main Viewpoints
1	Dalian Maritime Court	(2009) DHSCZ No.142	Crude oil	<p>1) The CIQ inspection certificate of quantity/weight provided by the plaintiff was calculated as per the VCF Table 6A and corrected based on the actually measured temperature and density of the liquid oil, while the B/L quantity was based on the VCF Table (i.e. Table 6), so the CIQ certificate is not competent to prove the cargo shortage;</p> <p>2) As the insurer, the plaintiff's subrogation right shall be limited to the actual loss caused by cargo shortage exceeding the 0.5% deductible. The right to claim for the loss caused by shortage within 0.5% shall still belong to the insured, while the carrier shall bear no compensation liability for such part of loss according to the international practice.</p>
2	Tianjin Higher People's Court	(2015) JGMSZZ No.7	Crude degummed soybean oil	<p>1) The cargo density indicated in the shore tank weight certificate on which the plaintiff/appellant relied to claim cargo shortage was the density actually measured after the cargo was discharged to the shore tank. At the time of density measurement, the cargo had leaved the tail end of the flange plate connecting the oil pipeline of the vessel with the oil pipeline of the shore tank, which was beyond the period of carrier's responsibility, so the said certificate could not serve as evidence to prove the cargo shortage occurred during the period of carrier's responsibility. Besides, the difference between the quantity in the ullage report at the discharging port and that the B/L fell within the 0.2% reasonable allowance for static measurement of liquid products provided for by the <i>Regulations for Weight Survey of Import and Export Commodities: Static Measurement of Liquid Products</i>, so there existed no cargo shortage during the period of carrier's responsibility;</p> <p>2) The density data was provided by the shipper. The carrier shall be only liable for the apparent condition of the cargo, but had no obligation to verify the density data provided by the shipper.</p>
	Tianjin Maritime Court	(2013) JHFSCZ No.601		
3	Tianjin Maritime Court	(2005) JHFSCZ No.141	Palm oil	<p>1) The ullage report was made by the ship side before discharge, and the actual discharged quantity shall be determined on the basis of the inspection certificate</p>

				<p>issued by CIQ Qinhuangdao after discharge;</p> <p>2) As the B/L holder and consignee, the insured shall be bound by the terms of the charter party concerned. It is stipulated in the charter party that the shipowner shall bear no liability for any shortage occurring out of the joints of the vessel's pipeline and 0.5% allowable loss during the transportation of vegetable oil, so the carrier may be exempted from the compensation liability for the shortage of the carried cargo within 0.5%.</p>
4	Wuhan Maritime Court	(2005) WHFSZ No.202	Palm oil	<p>1) The Plaintiff claimed cargo shortage on the basis of the inspection certificate of weight issued by CIQ Zhenjiang, and the weight data stated in this certificate was taken in the shore tanks. Since the cargo inside the shore tanks was beyond the ship's rail, it could not be confirmed that the cargo shortage occurred during the period of carrier's responsibility;</p> <p>2) Since it is agreed on the B/L that the carrier shall not be responsible for any consequence of mixed loading or split of shipment at delivery, the carrier shall be only liable for the total quantity of the cargo when discharging it to the appointed shore tanks as required by the B/L holder.</p>
5	Hubei Higher People's Court	(2010) EMSZS No.38	1.4 Butyl Glycol	<p>1) According to the density calculation based on the density of the cargo concerned in the air under the temperature of 65°C, it is reasonable to affirm that the density adopted by the ullage report at the loading port was the indirectly reckoned figure rather than the actually measured one. Considering this, upon comparison with the cargo weight at the discharging port, there existed no cargo shortage;</p> <p>2) The appellant shall submit evidence to prove that it was the measured density that was adopted in the calculation of the cargo weight at both the loading port and the discharging port. However, the appellant failed to manifest the calculation method of the cargo weight at the discharging port, and also failed to prove that any change of cargo value or any actual value difference occurred due to the change of density of cargo, so the carrier shall not bear any compensation liability.</p>
	Wuhan Maritime Court	(2009) WHFSZ No.560		<p>It is unclear which density (measured density or reference density) was adopted in the calculation of cargo weight at the loading port. If reference density was adopted, then there existed no cargo shortage; if measured density was adopted, then the measured density figures adopted at the loading port and the discharging port were different, but the plaintiff failed to prove that the density difference was caused by the</p>

				change of cargo quality due to the carrier's fault or the cargo receiver would thus sustain loss due to such change, so it was of insufficient grounds to determine that cargo shortage occurred in the subject case.
6	Ningbo Maritime Court	(2005) YHFSCZ No.49	Crude oil	In China, the imported crude oil is required for statutory survey, and CIQ is the Chinese statutory inspection agency. The reports or certificates issued by CIQ shall simultaneously bind both parties in the subject case. The tank ullage report produced by CIQ Ningbo and CIQ Wusong jointly with the carrier showed that the respective quantity of cargo discharged at Ningbo and Wusong basically conformed to that stated on the corresponding Bs/L, with difference falling within the 0.5% allowance stipulated by the practice of the international maritime oil shipping industry; besides, according to the statement in the ROB report (i.e. Remaining On Board Report), after completion of the discharge operation, all cargo inside the oil tanks was completely discharged, which showed that the carrier had fulfilled its duty of delivering the cargo, so there existed no shortage of the cargo concerned.
7	Ningbo Maritime Court	(2003) YHFSCZ No. 353	Crude oil	Cargo shortage shall be determined based on the difference between the quantity stated on the B/L and the discharged quantity indicated in the ullage report and the ROB report at the discharging port. The data stated in the ullage report at the loading port were close to those in the ullage report at the discharging port, which means the cargo quantity before loading at the loading port was basically equivalent to that after discharge at the discharging port, so the carrier had no fault in taking care of the cargo during the carriage. Besides, as indicated in the ROB report issued at the discharging port, there was no residual cargo oil in all oil tanks after completion of the discharge operation, so it was further proved that the carrier had fulfilled its duty of delivering the cargo; and the difference between the cargo quantity stated in the ullage report and that indicated on the B/L fell within the 0.5% allowance as stipulated by the practice of the international maritime oil shipping industry.

8	Zhejiang Higher People's Court	(2007) ZMSZZ No.6	Crude oil	<p>1) Due to the nature of crude oil, water and sediment will inevitably separate from the crude oil in the course of transportation, and there must exist residual oil in the process of discharging. Such kind of residual oil produced due to the nature of cargo rather than the carrier's improper care for cargo shall be included in the cargo quantity discharged;</p> <p>2) In addition, in view of the nature of crude oil, such as water evaporation during transportation, reasonable loss shall also be taken into consideration. Though the parties concerned did not reach any agreement on the standard of reasonable loss in the B/L or the charter party, according to the international practice, the allowable measurement error for bulk cargo during transportation and delivery is 0.5%. Besides, a deductible of 0.5% was agreed in the insurance contract concerned, so 0.5% reasonable loss shall be deducted from the actual cargo shortage;</p> <p>3) With respect to the calculation standard of unit price, since cargo weight was stated in the commercial invoice, B/L and customs declaration and the carrier charged freight based on the cargo weight, it was proper to adopt metric ton, but not barrel, to calculate the compensation amount.</p>
	Ningbo Maritime Court	(2005) YHFSCZ No.516		
9	Ningbo Maritime Court	(2011) YHFSCZ No.269	<p>1) The decreased quantity of the crude oil concerned was very close to the increased quantity of free water. Since the crude oil contains water, the increment of free water during transportation was caused due to the nature of crude oil, and the possibility that such increment was caused by human could be ruled out as the increment in each hold was average, so it can be affirmed that the quantity change of crude oil occurring in the course of transportation was caused by the crude oil's own properties;</p> <p>2) The shortage of crude oil concerned was well below the normal deductible of 0.5% for transportation of bulk cargo, such as crude oil. In addition, it was agreed under the sales contract concerned that the price shall be calculated in volume, but the Plaintiff failed to submit evidence to prove that the actual payment by the buyer was made as per the weight stated on the B/L, and also failed to prove that the consignee suffered the claimed loss of shortage, so the carrier shall not bear any compensation liability even if the insurer paid the</p>	

				insurance indemnity.
10	Zhejiang Higher People's Court	(2012) ZHZZ No. 157,158	Ethylene glycol	With respect to the transportation or measurement of liquid cargo, some loss or corresponding error shall be allowed. In case that the shipper and the carrier had no specific agreement, the relevant industrial inspection standard shall be recognized (error of measurement instruments $\leq 0.2\%$; systemic error of static measurement $\leq 0.3\%$). The cargo loss concerned was less than 0.01% of the total quantity of the cargo and shall be deemed as reasonable loss, so the defendant/appellee need not compensate the consignee.
	Ningbo Maritime Court	(2012) YHFSCZ No. 180,181		
11	Guangzhou Maritime Court	(2012) GHFCZ No.212	Palm oil	<p>1) Discharge of cargo into the shore tanks at the destination port shall not fall within the period of carrier's responsibility. The shore tank weight certificate was produced for the inspection on the cargo discharged from the vessel tanks into the shore tanks, so the subject to be proved in such certificate was the weight of cargo loaded inside the shore tanks. Even if any cargo shortage occurred during this period, it shall not fall within the period of carrier's responsibility. It was legally groundless for the plaintiff to allege that there existed cargo shortage during the period carrier's responsibility solely based on the shore tank weight certificate;</p> <p>2) The cargo concerned was measured in vessel tanks after loaded at the loading port and before discharged at the discharging port, and ullage reports were issued accordingly. Since the methods of these two measurements were identical, their calculated data of cargo weight were comparable. By comparing the cargo weights stated in the two ullage reports, it is verified that no shortage occurred to the cargo concerned after loaded at the loading port and before discharged at the discharging port.</p>
Against carrier's defence of liability exemption				
No.	Court	Case No.	Cargo	Main Viewpoints
12	Dalian Maritime Court	(2004) DHJSCZ No.1	Crude oil	In this case, the quantity of cargo discharge (i.e., the quantity of cargo delivered by the defendant) shall be determined subject to the CIQ certificate of weight as CIQ is a national statutory inspection agency and the quantity of import and export cargo verified by CIQ serves as the fundamental basis for the state to levy taxes. According to the CIQ certificate of weight, there

				<p>existed cargo shortage, which means there existed shortage of the cargo delivered by the carrier, so the carrier shall bear compensation liability for the cargo shortage.</p>
13	Tianjin Maritime Court	(2005) JHFSCZ No.197	Palm stearin	<p>1) With respect to oil cargo, the weight of cargo actually delivered by the carrier shall be determined subject to the weight stated in the statutory inspection certificate, whose effectiveness is superior to the ullage report onboard vessel.</p> <p>2) As it was not expressly agreed by and between the plaintiff and the defendant on the issue whether error within 0.5% was allowed at the delivery of the cargo concerned where the Chinese laws have no explicit stipulations on such issue, and the evidence provided by the carrier could neither prove that the allowable error with 0.5% would inevitable occur during the carriage of the cargo concerned nor prove that the allowable error within 0.5% for the carriage of oil cargo belongs to international practice, while the defendant as the carrier shall fulfill the duty of taking good care of the cargo, the Defendant shall deliver the cargo in accordance with the statement on the B/L.</p>
14	Shanghai Maritime Court	(2006) HHFSCZ No.243	Fuel oil	<p>The defendant failed to give reasonable explanation on the cargo shortage and the occurrence of substantial visible water but simply argued that the plaintiff failed to carry out survey on the cargo at the loading port and that the cargo shortage was a result of the unsatisfactory quality of the oil, without submitting any supporting evidence, so it is ascertained by the court that the fact of cargo shortage contended by the Plaintiff establish and that, as the Defendant as the carrier is obligated to carry, keep and care for the cargo with due diligence during the period of its responsibilities for the carriage of the cargo and maintain the cargo in such sound condition that the cargo may be delivered as it originally was, the defendant shall be liable to compensate for the cargo shortage caused by its failure to care for the cargo with due diligence during the course of its carriage of the cargo.</p>
15		(2012) HHFSCZ No.1080	Fuel oil	<p>The reason for short landing of the cargo concerned is that the oil temperature was too low, as a result of which the oil cargo solidified and could not be discharged. Under such a circumstance, the defendant as the carrier shall immediately inform the plaintiff, arrange or procure</p>

				the plaintiff to arrange heating of the oil, discharge the fuel oil cargo and then settle the costs with the plaintiff according to the contract. In this case, as the defendant did not fully perform the delivery obligation, the defendant shall undertake the compensation liability for the fuel oil cargo not discharged.
16	Ningbo Maritime Court	(2010) YHFZSCZ No.113	Crude soybean oil	That the seal was intact after the cargo arrived at the destination port and that the ROB report was issued was only the preliminary evidence proving that the defendant has delivered the intact cargo to the cargo receiver. According to the voyage charter party signed between the defendant and the insured, whether there existed shortage of the cargo concerned shall be determined subject to the difference between the cargo quantity under the survey report at the loading port and that under the survey report at the discharging port, so the defendant shall undertake the compensation liability for the shortage (after deduction of the agreed deductibles) of the cargo weight between the certificates of weight respectively issued at the loading port and the discharge port.
17	Guangzhou Maritime Court	(2003) GHFCZ No.266	Fuel oil	<p>1) Though there is an “unknown clause” in the B/L involved, after transferred, the B/L shall be deemed as the final evidence for the cargo weight, so the weight of the cargo concerned at the loading port shall be subject to the weight indicated in the B/L;</p> <p>2) Weighing of the cargo is usually affected by objective facts such as temperature and density and the accuracy of the containers and the instruments. According to the shipping practice, a certain weighing error is normally allowed. In this case, the allowance recognized by the court is 0.4%;</p> <p>3) Under the circumstance that the carrier failed to submit evidence to prove its entitlement to liability exemption, the carrier shall undertake the compensation liability for the cargo shortage (after deduction of 0.4% allowance) occurring during the period of its responsibilities.</p>

18	Guangdong Higher People's Court	(2006) YGFMSZZ No.141	Crude oil	<p>The carrier defended that the main reason why the alleged shortage occurred was that different methods of cargo weighing were adopted at the loading port and the discharging port (the cargo weight data stated on the B/L concerned was calculated at the loading port by weighing method based on flow-meter, but the cargo weight stated in the certificate of weight issued by CIQ Huizhou at the discharging port, on which the insurer relied to alleged cargo shortage, was calculated by weighing method based on ullage), but there was no comparability in the cargo weight data calculated from two different weighing methods, so such data could not serve as the basis to determine whether there existed cargo shortage and there actually existed no shortage of the cargo concerned. However, the trial court and the appellate court both hold that the difference between weighing methods cannot be the reason for denying the accuracy of the metering results, and the suspended water/free water shall not be counted into the gross weight or net weight, so it was not improper to calculate the shortage by comparing the net weight stated in the certificate of weight issued by CIQ and that stated on the B/L.</p>
	Guangzhou Maritime Court	(2005) GHFCZ No.273		
19	Guangdong Higher People's Court	(2008) YGFSJMZZ No. 136 and (2004) YGFMSZZ No.168	Crude oil	<p>1) Since different countries have different conversion ratio between US barrel and metric ton, and the conversion ratio adopted by the B/L concerned differs from that adopted by the inspection certificate of quantity concerned, so the cargo shortage concerned shall be calculated in metric ton;</p> <p>2) Since 0.5% of the weight of the whole shipment has already been deduced from the cargo shortage claimed by the insurer, and the carrier failed to provide evidence to prove that the cargo weight determined by CIQ Maoming exceeds the allowable measurement error of 0.3%, which means that the carrier failed to deny the accuracy of the cargo weight determined by the inspection certificate of quantity, so the carrier's argument that an error of 0.8% (0.5%+0.3%) between the cargo weight at the loading port and that at the discharging port shall be allowed is not supported.</p>
	Guangzhou Maritime Court	(2003) GHFCZ No.265		
20	Guangdong Higher People's Court	(2009) YGFMSZZ No.344	Fuel oil	<p>It is legally groundless and in lack of evidence for the carrier to contend that the alleged cargo shortage was caused by the natural characteristics and inherent vice of the cargo, and that 0.5% of normal loss and</p>

	Guangzhou Maritime Court	(2005) GHFCZ No.417		measurement error for the petroleum and liquid petroleum products is generally accepted by international shipping industry, and both the trial court and the appellate court determine that the carrier shall bear compensation liability for the cargo shortage, but the residue on the bottom of holds after discharge was deposited from the sediment inside the cargo and was caused by the natural characteristics of the cargo, so such residue shall be deducted from the shortage.
21	Guangdong Higher People's Court	(2009) YGFMZZ No.427	Palm oil	The appellate court holds that the actual quantity of the cargo discharged shall be calculated as per the density and volume obtained from the survey conducted at the time of discharging, and thus corrects the determination of the trial court that the cargo quantity at the discharging port shall be calculated with the density provided by the shipper at the loading port and then cargo shortage shall be calculated based on such calculated quantity. However, the appellate court also holds that the carrier failed to prove that there existed any cause for which it may exempt from its liability and thus shall bear compensation liability for the cargo shortage occurring during the period of its responsibilities.
	Guangzhou Maritime Court	(2008) GHFCZNo.453		<p>1) It was impossible for the carrier to know whether the density of the cargo concerned provided by the shipper and the inspection agency was accurate or not, and the carrier was not liable to conduct survey on the density and quality of the cargo concerned. The existence of difference between the density measured at the discharging port and that provided by the shipper was neither caused by the carrier's fault nor fell within the scope of its liability. Therefore, the quantity of the cargo concerned at the discharging port shall be calculated as per the density provided by the shipper;</p> <p>2) As the carrier failed to provide evidence to prove that the cargo shortage concerned resulted from any of the causes for which the carrier may exempt from its liability as provided for in Article 51 of the <i>Maritime Code of the People's Republic of China</i> ("Maritime Code"), the carrier shall bear compensation liability for the loss caused by cargo shortage occurring during the period of its responsibility and its contention that it may be exempted from the compensation liability for the cargo shortage within the scope of 0.5% according to the</p>

				charter party is not supported.
22	Guangdong Higher People's Court	(2010) YGFMZZ No.55	Palm oil	<p>1) The B/L concerned is a clean on board B/L, and the carrier failed to submit sufficient evidence to overturn the cargo weight stated on the B/L, so the unknown clause on the B/L was insufficient to overturn the probative force of the cargo weight stated on the B/L;</p> <p>2) The carrier failed to submit sufficient competent evidence to prove there existed the international practice that 0.5% reasonable loss is allowed in the international oil shipping industry,;</p> <p>3) It was clearly stated in the certificate of weight issued by CIQ Guangzhou that necessary correction was done to the final weight of the cargo based on the measured oil temperature, air temperature and density, so the carrier's argument that 0.3% measurement error shall be deducted in accordance with the <i>Rules for the weight survey of import and export commodities-Static measurement of liquid products</i> is not supported.</p>
	Guangzhou Maritime Court	(2008) GHFCZ No.245		
Unclear Attitude				
The viewpoints of Haikou Maritime Court and Beihai Maritime Court remain unclear since no judgments concerning liquid cargo shortage claims have been found in the judgments published by them.				