

Very Good, Money Penny? Let's talk VGM

This is one of the most widespread and impactful rulings in the shipping industry, with a worldwide launch date on 1st July 2016. The implementation of the Verified Gross Mass (VGM) of the full container for export has met with some resistance in the US and Europe, but for us in Malaysia, the enforcement of the ruling will be by the Marine Department of Malaysia, and the date is so far has been firmly set in line with the international launch date.

Basically, there are 3 parties involved in the process & usage of Verified Gross Mass:

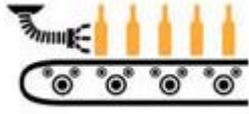
1. Shipper
2. Port/Terminal
3. Shipping lines



Shipper

Under the SOLAS requirements, the shipper named on the ocean bill of lading is the party responsible for providing the shipping line and the port/terminal operator with the verified gross mass (VGM) of a packed container. Shippers using forwarders to ship full container loads will still have to register and provide a VGM to the forwarder, in order to enable the forwarder to move the container smoothly.

For some, there is the question of whether the freight forwarder is the party to register the method of weighing. Although the freight forwarder may have organised the logistics on an Ex-Works basis, the freight forwarder remains merely a booking party and project manager for the supply chain while the onus of ensuring the weighing of the cargo lies on the party responsible for manufacturing or trading the goods.



Port / Terminal

The port acts as the first point of check and balance for the weighed containers. Some terminals have weighbridges which will be a big help to shippers who do not have access to a weighing facility, prior to turning their containers into port. The port authorities are also the advocates upon whom the liners depend on, to determine if a particular container weight has been correctly submitted. The enforcement of the ruling will be by the Marine Department of Malaysia, who will work together with the port authorities to conduct random checks and assist the liners in verifying doubtful container weights and shipper registrations.



Shipping lines

The shipping lines are the main actor in the SOLAS rulings, whereby it is the safety of their crew and ships which will be safeguarded by the container weighing mandate. The mandate dictates that shipping lines have the right not to load any container that is not accompanied by a Verified Gross Mass. As at May 2016, the following liners have released a “no VGM, no load” policy:

- K-Line
- APL
- OOCL
- Evergreen
- CMA CGM

More liners are expected to follow in the days to come.