

Claims against Hanjin flood in as customers seek their cargo

[Greg Knowler, Senior Asia Editor](#) | Sep 02, 2016 6:25AM EDT



Hanjin Shipping's vessels are scattered across the globe. Credit: IHS Markit

The focus of the [Hanjin Shipping fallout](#) has shifted into the legal arena as shippers urgently try to secure the release of their cargo [trapped in limbo](#) along the global supply chain and maritime lawyers sharpen their pencils as the claims flood in.

Hanjin Shipping is now undergoing Korean court rehabilitation where debts to creditors can be restructured with the aim of protecting Hanjin while it trades its way out of its debt. Even if in the unlikely event the carrier is able to trade its way back to financial health, it will not be a swift process.

The court has called for claims against Hanjin to be submitted between Sept. 20 and Oct. 4 and the receiver is scheduled to report his decisions to the court on Nov. 11.

In the mean time, there will be plenty of legal business to go around as shippers desperately try to free their Christmas cargo. Hanjin Shipping has a fleet of 100 ships and the Korea Ministry of Oceans and Fisheries estimates that as many as 540,000 twenty-foot-equivalent units are floating around on its vessels.

So far three vessels are known to have been arrested, one in Singapore and two in China, and this number is expected to rise. Scores more Hanjin vessels are stuck outside ports from which they have been denied entry, or are tied up alongside with [terminals refusing to work their cargo](#).

Cargosmart reviewed Hanjin's vessel schedules and live vessel movements from August 31 to September 1, the 24-hour period after it fell into court protection, and found that among the 100 ships in its fleet, 55 had missed their schedules. Of those, 49 vessels with an original time of arrival on August 31 and September 1 had not arrived at their next scheduled port by Friday, and six vessels have not yet departed from port.

This is tying up huge amounts of cargo, and reports of Hanjin creditors seizing cargo have been coming in with frustrated shippers forced to pay often large amounts before their cargo is released from terminals and warehouses.

This, according to Clyde & Co partner Anthony Woo, is not right, with the contents of a container not related to Hanjin liability. He said the law firm was receiving many claims against Hanjin Shipping.

“If a Hanjin ship is detained, the cargo in the containers does not belong to Hanjin and whoever is arresting the vessel should not be able to seize the contents,” he said, adding that in an ideal world the containers would be released to the owners. Shippers are liable for the terminal handling charges, not the port fees, or mooring and lashings charges.

Woo said creditors were generally not in direct contractual relationships with the cargo owners that would allow them to detain the cargo, unless there was some kind of contractual lien against a third party.

He highlighted China as an area of particular concern for cargo owners. “Shippers are having difficulties in retrieving their cargo in China. The creditors are refusing to release the cargo and are requesting the cargo owners to settle demurrage first, which are basically charges arising out of the detention of the containers. They are trying to make a profit out of it and it is something a lot of port authorities do,” he said.

A global shipper of household goods on Asia-Europe confirmed that China was a problem. He said he had 800 TEUs affected by the Hanjin collapse that were at various stages of the supply chain. “Some are gated in and are now going to be a nightmare to get out, re-stuffed and re-booked, especially in China. That’s the biggest headache I’ve got,” he said.

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