# MAKING A CASE FOR THE UNIFORM ADOPTION OF THE ROTTERDAM RULES IN INTERNATIONAL MARITIME LAW

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## Abstract

As of today, the Rotterdam Rules, which was signed on 23 September 2009, has not come into force as a result of issues of lack of uniformity and consensus even though it addresses issues pertaining to the digital age and current international shipping trends. The objective of this study is to discover the origin of these issues and why they still persist till date. The research methodology used in this work is comparative, analytical and doctrinal, in that, it makes comparison between the Hague/Visby Rules, Hamburg Rules and the Rotterdam Rules and critically analyses each one. This work finds that the Hague/Visby and Hamburg Rules, which are international carriage of goods by sea conventions, are unfit for purpose and have failed to provide international consensus as well as international commercial requirements for the 21<sup>st</sup> century. It also finds that the Rotterdam Rules have provided for and recognised containerisation, multimodal carriage of goods, door to door as period of carriers' liability, and electronic signatures for the first time. This work recommends ratification of the Rotterdam Rules by States so that the Rules will come into force and because it establishes a comprehensive, uniform legal regime governing the rights and obligations of shippers, carriers and consignees.

Keywords: Rotterdam Rules, Shipping, containerisation, carriers' liability

### Introduction

The international carriage of goods by sea conventions which currently comprise of The Hague Rules, Hague-Visby Rules and the Hamburg Rules have been the major legal instruments regulating International transportation of goods in many countries. However, with the dawn of the digital age, most of these provisions have become impracticable and obsolete, hence the enactment of the Proposed United Nations Convention on Contracts for the International Carriage of Goods Wholly or Partly by Sea, which is also known as the Rotterdam Rules. Similarly, there have been several reservations towards the ratification of the existing Conventions which has resulted in non-uniformity as regards international haulage of goods by sea. This paper will critically analyse whether or not the Rotterdam Rules addresses these issues and more.

### 1.0 The Development of the Rules in Relation to their Lack of Consensus and Uniformity

The International Convention for the Unification of Certain Rules of Law Relating to Bills of Lading, popularly known as the Hague Rules of 1924, is an international convention that places minimal standards on commercial carriage of goods by sea. This was the first Convention to make an effort to address the issue of ship-owners routinely disclaiming all liability for cargo loss or damage in a practical and consistent manner. This convention aimed to set a minimum level of required carrier liability for loss or damage to goods delivered in accordance with a contract

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supported by a bill of lading. According to the Rules, the carrier is responsible for the commodities from the time they are carried onto the ship until they are discharged, or from tackle to tackle. According to the Rules, the carrier is responsible for any loss or damage to the cargo as a result of failing to take reasonable care to ensure that the ship is seaworthy, is adequately manned, outfitted, and supplied, or that its storage spaces are suitable and safe for the transportation of cargo. The Rules also outline additional obligations for the carrier.<sup>1</sup>

In order to increase predictability for international shipping, the international community undertook an effort to standardize ocean bills of lading, which was represented by the Hague Rules. In the past, ship-owners sometimes used restrictions in bills of lading to counter cargo damage claims. The Hague Rules were generally favourably accepted, and 58 maritime states have ratified them. Nearly all of the world's main trading states' national laws are based on these regulations, which also encompass almost all current international shipping.<sup>2</sup> The Hague Rules only applied to shipments going from a port in a contracting state to a foreign port, which was one of the convention's weaknesses.<sup>3</sup> The Hague Rules presumably do not apply to inward shipments, which are shipments from any port outside the contracting states to any port within the contracting states. Instead, the law of the nation from which the goods were shipped would be the applicable law.

The Hague Rules were amended to create the Hague-Visby Rules. The Protocol to Amend the International Convention for the Unification of Certain Rules of Law Relating to Bills of Lading 1968 is what it is formally known as. The Hague-Visby Rules had a plethora of exonerating terms that promoted the interests of the carrier at the expense of the shipper, particularly the Nautical Fault Exception clauses, therefore many countries rejected to adopt them and instead chose to continue applying the Hague Rules.<sup>4</sup> It has been viewed as problematic since it gives carriers the opportunity to profit from demonstrating the irresponsibility of shipboard crew members, who are frequently its agents<sup>5</sup> and employees.<sup>6</sup> It is not entirely obvious why the shipping context should be the exception to the rule because it goes against legal notions like vicarious liability of the carrier through the errant mariner.<sup>7</sup> Additionally, since there is no standard bill of lading that can be utilized by all parties, these shippers may lose out due to their lack of experience and weak negotiating stance.<sup>8</sup> Additionally, neither the Rotterdam Rules nor the later Hamburg Rules permit carriers to be exempted for careless navigation or management. The Hague-Visby Rules further stipulate that a ship must be seaworthy just before to and at the start of the journey.

<sup>&</sup>lt;sup>1</sup> K Mbiah, 'Updating The Rules On International Carriage Of Goods By Sea: The Rotterdam Rules' *Comite Maritime International* (2018)

<sup>&</sup>lt;https://comitemaritime.org/wp-content/uploads/2018/05/paper-of-kofi-mbiah.pdf> accessed 13 May 2022 2 *Ibid* 

<sup>&</sup>lt;sup>3</sup>Article 10.

<sup>&</sup>lt;sup>4</sup> Mbiah, *Op Cit* 

<sup>&</sup>lt;sup>5</sup> Stephen Girvin, Carriage of Goods by Sea (Oxford University Press 2022)

<sup>&</sup>lt;sup>6</sup> Leslie Weitz, 'The Nautical Fault Debate (the Hamburg Rules, the U.S. COGSA 95, the STCW 95, and the ISM Code)' [1997] 22(1) TMLJ 581

<sup>&</sup>lt;sup>7</sup> T Faria, 'New Times, New Players and New Rules' [2008] 44 (1) TILJ 227

<sup>&</sup>lt;sup>8</sup> N Monash, 'Allocating Shipment Risks' [1978] 4(2) ULR 117

Another criticism is that the Rules still covered only tackle to tackle carriage contracts and failed to acknowledge multi-modal transportation or containerisation despite the container evolution of the 1950s. Also, vague and ambiguous wording in The Hague and Hague/Visby rules which complicate the allocation of liability for loss or damage to cargo. Furthermore, the unfairness of the jurisdiction and arbitration clauses in how they operate to benefit the carriers against shippers in weak bargaining positions, the wide exceptions to the rules and low limits of monetary liability were other factors that fed into this feeling of discontent.<sup>9</sup> Similarly was the continued use of bills of lading for exemptions and restrictions of liability on the part of the carrier that are invalid, or of doubtful validity according to the Hague and Hague/Visby rules. While some countries ratified the protocol and hence became parties to the Hague-Visby Rules, others did not and thus remain parties only to the Hague Rules. For some countries, the protocol was not far reaching as it did not deal comprehensively with the issues of liability, the allocation of responsibilities and risks, as well as other modes of transport and hence they did not ratify.<sup>10</sup>

The next amendment was in 1978 and adopted in Hamburg. The Hamburg rules currently have 28 signatories and 35 ratifying states, with a condition that it had to be ratified by 20 States. This convention was also intended to be more modern and less biased in favour of ship-operators. The Hamburg rules establish a relatively uniform legal regime governing the rights and obligations of shippers, carriers and consignees under a contract of carriage of goods by sea. This was as a result of pressure mounted by developing countries for a full re-examination of cargo liability regimes which favoured only ship-owners in Hague-Visby rules and also that the previous rules were seen to be drawn up by colonial maritime nations and had the purpose of safeguarding their interest at the expense of other nations.

Thus, the Rules sought to distribute the risks and liabilities for the shipment fairly between the parties, both in terms of who bares most absolute liability, and that the party in whose control certain losses are, should bare the risk for those losses unless exceptional circumstances dictate otherwise. They also wanted shippers to be allowed to pursue their legal claims at the destination port, as this is the place where the vast majority of disputes arise and where evidence and costs can be kept practical. That transhipment and through shipment no longer act to exclude carrier's liability and to raise the unit liability rates to more realistic levels.<sup>11</sup> Its adoption has been endorsed by the United Nations Convention on Trade and Dispute (UNCTAD), the Organisation of American States (AOS), and the Asian-African Legal Consultative Committee (AALCO). A draft was prepared by UNCITRAL and finalised and adopted by a diplomatic conference on 31 March 1978.<sup>12</sup>

The lack of uniformity in the legislation governing the carriage of goods by sea was widened as a result of many developed and ship-operating states choosing to stick with the Hague and Hague-Visby Rules and disregarding the Rules. Even though it went into effect on November 1st, 1992, it was doomed from the start. The major maritime nations with significant contributions to global

<sup>9</sup> Ibid

<sup>&</sup>lt;sup>10</sup> Ibid

<sup>&</sup>lt;sup>11</sup> D Schollenberger, 'Risk of Loss in Shipping Under The Hamburg Rules' [1981] 10 (8) DJILP 122

<sup>&</sup>lt;sup>12</sup> Ibid

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trade argued that the deletion of the nautical fault clauses, which made the carrier responsible for the loss or damage of all goods unless they could demonstrate that they took all reasonable precautions to prevent the loss,<sup>13</sup> made the liability floor too slippery in comparison to the tackle to tackle regime which they were used to<sup>14</sup> (Article IV of the Hamburg rules discarded the tackle to tackle rule and states that the responsibility of the carrier for the goods under this Convention covers the period during which the carrier is in charge of the goods at the port of loading, during the carriage and at the port of discharge. It further states that the carrier is deemed to be in charge of the goods from the time he has taken over the goods). Although the removal of the Nautical Fault provision was a huge relief for the user nations, carriers also complained about the limitation of their choice of jurisdiction. Thus, in an effort to strike a more equitable balance between the parties to such contracts, the new Rules have overcompensated and were overly harsh on shipowners.<sup>15</sup> Some nations fully embraced the regulations, while others, particularly the Scandinavian nations, inserted pertinent aspects into their own legislation.

Thus, the groundwork was laid for the application of a variety of laws governing the shipping of commodities over international borders. While some countries have denounced the Hague Rules and become parties to the Hamburg Rules, there are others who are party to Hague-Visby Rules and yet others who are party to only the Hague Rules. There are some who have not denounced the Hague Rules but have ratified the Hamburg Rules. Moreover, there are still some other countries that have incorporated bits and pieces of the various laws into their national law. Currently therefore, there is a jumble of international rules for the carriage of goods by sea which has created a great deal of muddled confusion and uncertainty. It is therefore widely recognised within the international community that there is an urgent need for uniformity and a consensus in the international law on carriage of goods by sea.<sup>16</sup> Therefore, UNCITRAL made the audacious decision to attempt the unification of the international law on the carriage of goods by sea as well as to modernize the entire system of international transport law through the development of rules addressing both the carriage of goods by sea as well as the carriage of goods under a multimodal transport regime. Given the challenges and disappointments that have befallen the numerous international regimes that have attempted consistency, this is unquestionably a brave undertaking.

### 2.0 The Rotterdam Rules

The Rotterdam Rules, also known as the United Nations Convention on Contracts for the International Carriage of Goods Wholly or Partly by Sea is a treaty proposing new international rules to revise the legal framework for carriage of goods by sea. The Rules, signed on 23 September 2009, primarily address the legal relationship between carriers and cargo-owners. The objective of the convention is to extend and modernise existing international rules and achieve uniformity of International trade law in the field of maritime carriage of goods, updating or replacing many provisions in The Hague Rules, Hague-Visby Rules and Hamburg Rules.<sup>17</sup> The convention establishes a comprehensive, uniform legal regime governing the rights and obligations of shippers, carriers and consignees under a contract for door-to-door shipments involving international sea

<sup>&</sup>lt;sup>13</sup> Article 5

<sup>14</sup> Mbiah Op Cit

<sup>&</sup>lt;sup>15</sup> Schollenberger Op Cit

<sup>&</sup>lt;sup>16</sup> Ibid

<sup>&</sup>lt;sup>17</sup> Faria Op Cit

transport, containerisation, use of electronic transfer documents etc. Although the final text was greeted with much enthusiasm, a decade later, little has happened. As of today, the rules are not yet in force and cannot be implemented as it requires 20 states for implementation; so far, it has been ratified by only five states, most of which are African states. The Rotterdam Rules are greatly extensive with 96 articles.

# 2.1 Contract of Carriage Defined

A contract of carriage is defined in Article 1(1) as "a contract in which a carrier commits to carry goods from one place to another in exchange for the payment of freight. In addition to providing for carriage by water, the contract may also include provisions for other forms of transportation." In other words, the Rules apply only if the carriage includes a sea leg; other multimodal carriage contracts which have no sea leg are outside of the scope of the Rules. Thus, for the first time, other modes of transportation of goods were recognised.

# 2.2 Removing the Bill of Lading from the focus

The production of a bill of lading serves as the foundation for the contract under the Hague/Visby and Hamburg Rules, however the Rotterdam Rules downplay this requirement and instead refer to transport documents or electronic transport records. The Rotterdam Rules adopt this strategy in order to address the growing prevalence of several bills of lading types in sea carrier transactions that involve the use of transport documents such sea waybills, straight bills of lading, negotiable and non-negotiable bills of lading.<sup>18</sup> Furthermore, only outbound shipments are covered by The Hague Rules. The Rotterdam Rules' definition of the contract of carriage eliminates this restriction.

# 2.3 Scope of Application and Period of Responsibility

The application of the Hague-Visby Rules was excessively narrow. The Hamburg Rules improved on this by ensuring that the application of the Rules is not restricted to contracts and outbound shipments that are supported by a bill of lading. The Hamburg Rules widened the scope to which the Rules are applicable and extended the tackle to tackle obligations to port-to port. The Hamburg Rules also apply when a contracting state issues the bill of lading or other supporting documentation. In comparison to The Hague-Visby Rules, the Hamburg Rules had a wider range of applications.

The Rotterdam Rules, with the parties' consent, extend the extent of application and duration of liability to embrace "door-to-door" carriage transactions.<sup>19</sup> As a result, the time between the point at which the items are received and the point at which they are delivered is added to the period during which carriers are accountable for the commodities. It therefore contains the location of the port of loading, the location of the delivery, and the location of the discharge. It should be noted that the Rotterdam Rules use a "maritime plus" standard when referring to the place of receipt and delivery.<sup>20</sup> Additionally, the Convention does not apply when a charterer transports his

<sup>&</sup>lt;sup>18</sup> J.I. Mac William Co Inc. v Mediterranean Shipping Company SA [2005] UK, HL 11

<sup>&</sup>lt;sup>19</sup> Article 11

<sup>&</sup>lt;sup>20</sup> Mbiah Op Cit

own cargo; nevertheless, if he sells the cargo, the Convention does apply as between the carrier and the new owner of the cargo.<sup>21</sup>

## 2.4 Electronic Transport Record

The Rotterdam Rules have extensive provisions on the use of electronic transport records because the drafters of the Rules were determined to modernise international maritime law. It should be emphasized that adoption of electronic transport records that serve as contract evidence requires the shipper's permission. There were already proposals for the recognition of electronic documents when the Hamburg Rules were drafted in the late 1970s. There are no provisions for the use of electronic transport documents in the Hague-Visby or Hamburg Rules. These lacunas are filled by the Rotterdam Rules.

Bergami points out some problems of this innovation. One of which is that the definition of electronic transport records contained in Article 1.19 which relies on legal acceptance of the electronic record. The problem with such acceptance is that legal frameworks have not been sufficiently developed to date, to bestow negotiability on to an electronic record that is used internationally. Also, Electronic records requiring negotiability are challenging because of endorsement requirements. For example, if an electronic record issued as a freely transferable record, this would need endorsement prior to transfer to a subsequent party. The endorsement, as additional data, would result in the creation of another electronic file, different to the original file, and this is where legal difficulties arise. Finally, electronic documents contained in the eUCP such as letters of credit are not without issues such as security of data transfers and corruption of records, raise additional challenges. For example, once the electronic records have been lodged, these need to be transferred from the exporter's bank to the importer's bank. Depending on the type of record, this may be a relatively simple task; however, if the record is only accessible via a link to a secure site, access issues are bound to raise security concerns.<sup>22</sup> The electronic nonnegotiable electronic record is already being used today, because, as it lacks negotiability, its legal status is much easier to define and accept.

### 2.5 Electronic Signatures

Article 38 provides for electronic signatures which is a welcome development. This was unavailable in the previous rules. Thus signature is required of a carrier or a person acting on its behalf. Such electronic signature shall identify the signatory in relation to the electronic transport record and indicate the carrier's authorization of the electronic transport record.

### 2.6 The Carrier's Liability for Loss or Damage

The question of the carrier's obligation is the most divisive one among all the conventions. This is true because it substantially reflects how risks are allocated and how the rights and obligations of the shipper and the carrier are balanced. Article 17 of the convention contains the rules governing the carrier's obligation. They adhere to the Hague-Visby Rules' structure, although they diverge significantly from article 5 of the Hamburg Rules.

<sup>&</sup>lt;sup>21</sup> R Cornah,'Rotterdam Rules, A Bluffer's Guide' (Richard Hogg Lindley).

<sup>&</sup>lt;sup>22</sup> R Bergami, 'The Rotterdam Rules and Negotiable Electronic Transport Documents in Letter of Credit Business' [2010] CICGR 299

The Rotterdam Rules' approach is still fault-based, but the burden of proof has been reversed. It is important to note that despite the fact that the burden of proof has been reversed, leading many commentators to use the comparison of "ping pong,"<sup>23</sup> there have been two fundamental adjustments to the Rules that aim towards mastery. In the Hague/Visby rules, the carrier was only accountable for the seaworthiness of his vessel before and at the beginning of the voyage; however, under the Rotterdam Rules, the carrier's responsibility with respect to seaworthiness is now not only before and at the beginning but shall continue throughout the voyage. The first is the elimination of the nautical fault exemption in the Hague/Visby rules, and the second is the continuing obligation of seaworthiness and due diligence on the part of the carrier. As previously mentioned, the carrier, his servants, and agents are absolved from liability under article 4(2) of the Hague/Visby Rules in cases where damage or loss results from their carelessness in the operation of the ship. Under the Rotterdam Rules, this is no longer allowed.<sup>24</sup> It is also important to note that the Rotterdam Rules maintain the other exculpatory provisions from the Hague-Visby Rules with the necessary modifications, such as the strengthening of the fire exception, the elimination of the Nautical Fault Rule, and language changes for some of the exculpatory provisions.

### 2.7 Delay

There are no delay provisions in the Hague-Visby Rules. The carrier is responsible for delivery delays under the Hamburg Rules if he violates the contractually stipulated deadline. The Hamburg Rules further state that if the parties cannot agree on a certain delivery time, the standard would be that of a diligent carrier under the given circumstances.<sup>25</sup> The test of a diligent carrier in specific situations is not included in the Rotterdam Rules, although they do provide for liability of the carrier in cases of delay when the period for delivery has been agreed upon.<sup>26</sup> The Rules also cover financial losses brought on by delays.<sup>27</sup>

#### 2.8 Departure from the Rules

The Hague-Visby Rules allow for deviations when they are necessary to save lives or property, which releases the carrier from liability. There are no deviations in the Hamburg Rules. A deviation occurs where the carrier breaches his obligations under the rules where the contract is made pursuant to the rules. Although, such breach or deviation does not preclude the carrier from applying any defence or limitation contained in the rules except to the extent provided in article 61 which is on the loss of the benefit of limitation of liability.<sup>28</sup>

#### 2.9 Deck Cargo

If the carrier specifies that the commodities are to be carried on deck, deck cargo is not regarded as goods under the Hague/Visby Rules. In this regard, both the Rotterdam Rules and the Hamburg Rules have undergone considerable revisions. According to the Rotterdam Rules, the conditions for carriage on deck must be met in the following situations: when such carriage is required by law;

<sup>25</sup> Article 5(2)

<sup>&</sup>lt;sup>23</sup> Cornah Op Cit

<sup>&</sup>lt;sup>24</sup> Mbiah Op Cit

<sup>&</sup>lt;sup>26</sup> Article 21

<sup>&</sup>lt;sup>27</sup> Article23

<sup>&</sup>lt;sup>28</sup> Article 24

when they are transported in/on containers or vehicles that are suitable for deck carriage and the decks are specially designed to accommodate such containers or vehicles; or when the carriage is on deck in accordance with the contract of carriage, or customs, usages, or practices of the relevant trade. These provisions have unquestionably acknowledged the containerisation of goods. Additionally, where by an agreement the carrier is not supposed to carry on deck but carries on deck and damage results then he is not entitled to the benefits of limitation of liability.<sup>29</sup> It however has to be shown that the damage was the result of the carriage on deck.

## 2.10 Shippers' Responsibilities

With regard to the Hague/Visby Rules, the shipper is merely required not to ship harmful goods. The Hamburg Rules also stipulate specific obligations for the shipper. According to the Hamburg Rules, the shipper must notify the carrier that the goods are harmful before shipping them. According to the Rules, the shipper must also indemnify the carrier from any damages brought on by the transportation of such goods. In addition, the shipper is required to ensure that the carrier is given accurate information regarding the labels and marks on the goods. <sup>30</sup> The Rotterdam Rules have by far the most detailed clauses pertaining to the shipper's responsibilities. This aids to clarify the responsibilities that the shipper is supposed to take on. A significant portion of these duties codify existing practices. The three main areas where the shipper is expected to carry the responsibility with regard to the provision of information to the carrier are information to enable handling and carriage of the goods by the carrier,<sup>31</sup> information to enable compliance with laws, regulations, and requirements of public authorities as they apply during the carriage,<sup>32</sup> and information for the compilation of the contract details.<sup>33</sup>

The Rotterdam Rules include specific guidelines for the transportation of hazardous materials. If the shipper fails to give the carrier accurate information regarding the contract details or the dangerous nature of the goods, he is strictly liable for any damage that results from this failure,<sup>34</sup> as well as for the actions or inactions of his servants, agents, and subcontractors—with the exception of the performing party acting on the carrier's behalf.<sup>35</sup> The requirements of the shipper unquestionably appear onerous given that he is unable to reduce his culpability. However, it must be made clear that there is no cap on the shipper's liability in any of the earlier conventions. This might be as a result of the ramifications for the public good that come with stringent responsibility and onerous restrictions. The specific details of the shipper's obligations under the Rotterdam regulations assist to clarify the problems and conditions relating to the shipper's obligations and are not undeniably harmful to the shipper's interests.<sup>36</sup>

- <sup>30</sup> Article 17
- <sup>31</sup> Article 29(1)(a)
- <sup>32</sup> Article 29(b)
- <sup>33</sup> Article 31
- <sup>34</sup> Article 32(a)
- <sup>35</sup> Article 34
- <sup>36</sup> Mbiah Op Cit

<sup>&</sup>lt;sup>29</sup> Article 25

<sup>100 |</sup> Page

#### 2.11 Limitation of Liability

The Hamburg Rules provide for 835 units of account per package or 2 kilograms of gross weight of the goods, whichever is higher. The Hague Visby Rules limit the carrier's liability to 666.67 units of account. The Rotterdam Rules stipulate that the higher of either 875 units of account per package or 3 units of account per kilogram of the gross weight of the goods in question must be used.<sup>37</sup> In this sense, the Rotterdam Rules' limit reflects an improvement above The Hague Visby and Hamburg Rules limits.

#### 2.12 Time of Suit

While the Hague/Visby Rules set a one-year deadline for filing a lawsuit, the Hamburg Rules set a two-year time limit, and the Rotterdam Rules embrace the two-year time limit.<sup>38</sup> Additionally, Article 63 states that the time frame may be extended.

#### 2.13 Arbitration and Jurisdiction

The Hague Visby Rules do not contain any rules on arbitration or jurisdiction. The Rotterdam Rules and the Hamburg Rules both include provisions for jurisdiction and arbitration.<sup>39</sup> It is important to note that States that ratify the convention are required to choose whether or not to apply the jurisdiction requirements.

#### 2.14 Volume Contracts

Following a suggestion made by the United States of America, questions of permissiveness with regard to contractual freedom came to the forefront of the negotiations leading to the development of the Rotterdam Rules. However, derogations that increase the carrier's liability are permitted. It should be noted that the Hague/Visby Rules<sup>40</sup> and the Hamburg Rules<sup>41</sup> imply that contracts for the carriage of goods by sea should not deviate from the convention to the detriment of the shipper. According to Mbiah, it is not intended to deal in any detail in this overview with the issues pertaining to the inclusion of volume contracts in the Rotterdam Rules.<sup>42</sup> Within the Working Group there was protracted debate on its inclusion. The proponents of its inclusion argued that the predecessor mandatory regimes were developed in a commercial milieu which has now undergone tremendous change and could not be strictly adhered to in addressing the practicalities of present day commerce.

Those who opposed its inclusion stated that doing so would amount to a triumph for contract freedom and usher in a pre-Hague Visby era, at a time when the regulatory framework needed to be tightened for the benefit of small shippers. Volume Contracts were ultimately included in the Rotterdam Rules, but only with very considerable restrictions. Article 80 of the Rotterdam Rules continues to be, arguably, its most contentious clause. There is no minimum quantity, duration, frequency, or number of shipments, hence it is difficult to define volume contracts. Therefore,

- <sup>38</sup> Article 62
- <sup>39</sup> Article 66-78
- <sup>40</sup> Article 3(8)
- <sup>41</sup> Article 23
- <sup>42</sup> Mbiah Op Cit

<sup>&</sup>lt;sup>37</sup> Article 59

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Article 80 establishes special guidelines to govern the handling of transactions involving volume contracts and establishes the scope of a volume contract's binding nature on the shipper. Regarding the worries of shippers, the unique Rules do offer some relief. Some of the criticisms of the rules in addition to those discussed in the work relate to derogations from the Rotterdam Rules, so as to potentially enable the carrier to dilute, or largely exclude liability, the uncertainty of insurance coverage availability to compensate the traders for the dilution of carrier liability and the discharge of cargo that may, in certain circumstances, be achieved without the surrender of negotiable transport documents.<sup>43</sup>

## Conclusion

The current rules and the proposed Rotterdam rules have been discussed and compared in this work. The Rotterdam rules are an example of finding a middle ground, and like all concessions, no one side is entirely satisfied, but everyone departs with the prospect of gaining something. Thus, from the foregoing, it can be seen that the previous rules did not address modern trends of the 21<sup>st</sup> century particularly with regards to ICT. This can be attributed to the lack of the internet in most part of the 20<sup>th</sup> century. However, the Rotterdam rules contain provisions relating to electronic transport documents and for the first time, electronic signatures were acknowledged. Furthermore, it has also been seen that modern multi-modal transportation, including containerisation and door-to-door transport contracts are now recognised and which were unavailable in the previous rules, therefore, its ratification is necessary. On the issue of consensus, it has been seen that there has been a lack of consensus and uniformity towards addressing concerns of the carriage of goods by sea as all the rules did not gain uniform acceptance or use. It is recommended that adopting the proposed Rotterdam rules by all States, which has addressed most of the issues in international carriage of goods by sea, will go a long way towards achieving uniformity in this area of law.

<sup>&</sup>lt;sup>43</sup> G Pezold, 'The Rotterdam Rules 2009 XIV', 135 Trans Digest, 8-9.