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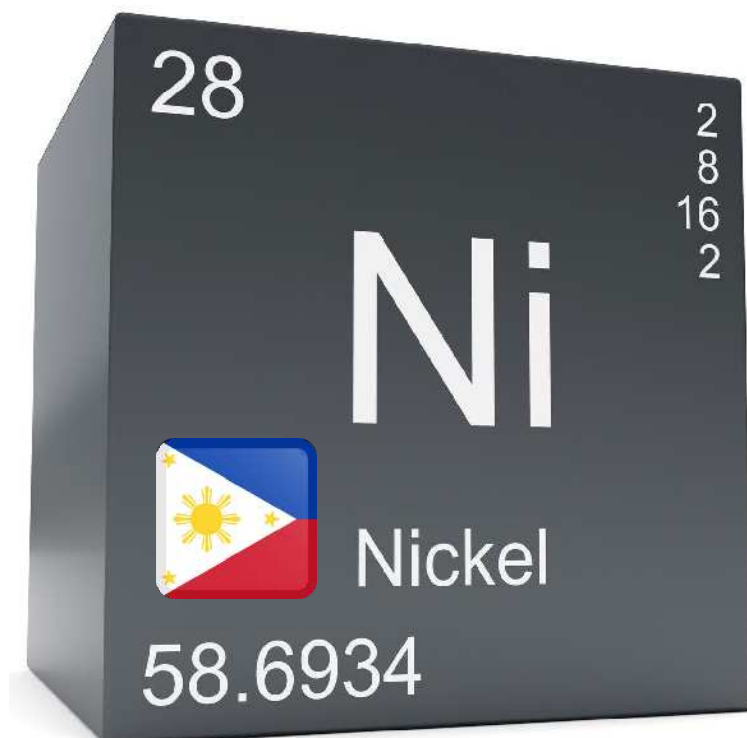
Ocean Wave

2020
11th March

PANDIMAN PHILIPPINES Inc.
P&I Correspondent in the Philippines

Topics of interest relating to the Philippine Maritime Industry and Shipping

Nickel Ore Shipments from the Philippines 2020



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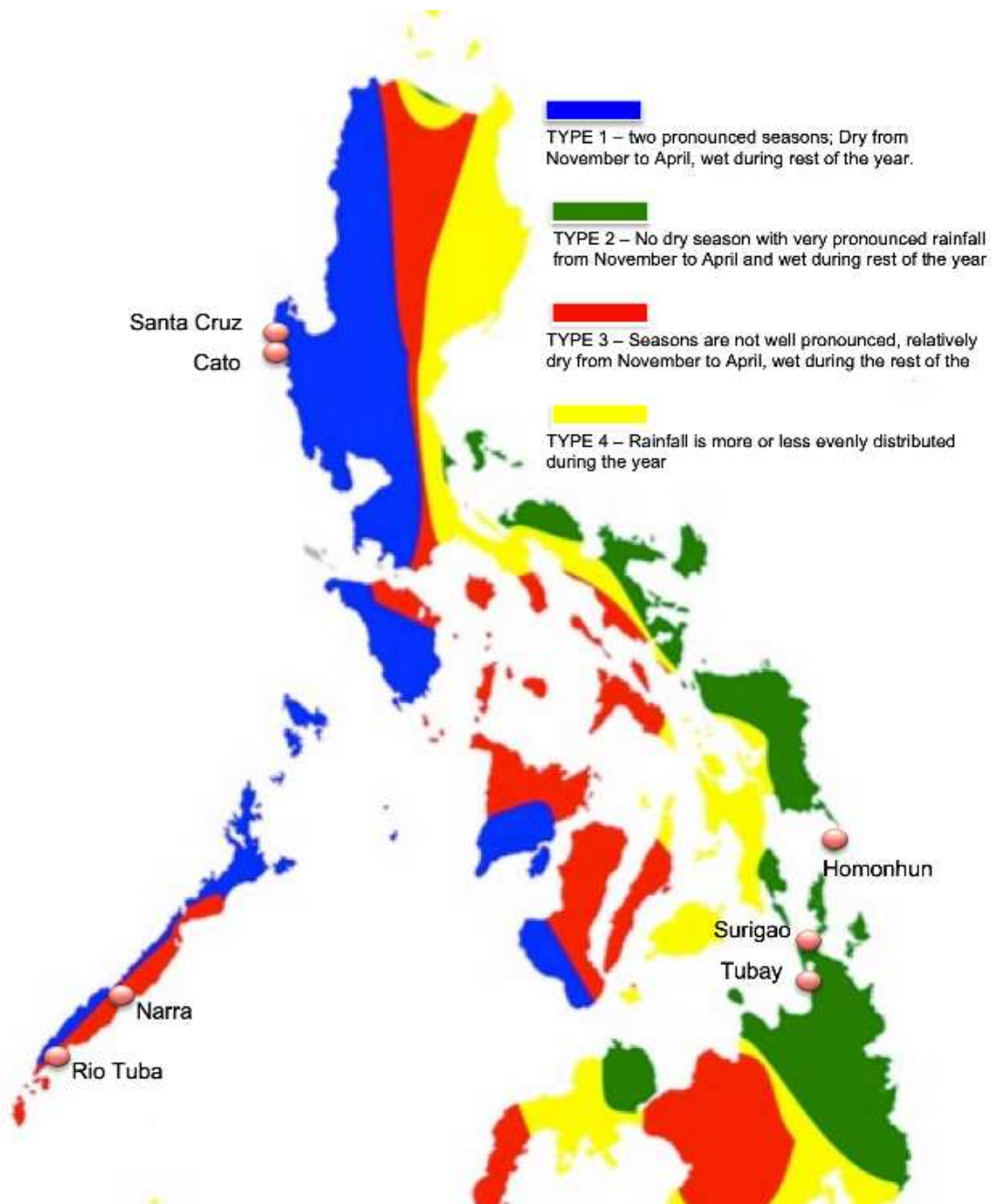
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Nickel Ore shipments from the Philippines.

- ⚓ The nickel ore season for shipment commences at the end of March, although several ships have arrived early.
- ⚓ The main location for loading, Surigao, it rains all year round the heaviest rain is from November to April.
- ⚓ The suspension of shipments from Indonesia this year will put even more demand on nickel ore shipments from the Philippines.



Nickel ore is used for the production of stainless steel and more recently a surging market, batteries for electric cars and is very much a part of modern life. China is the largest importer and the Philippines provides up to 30 million wmt (wet metric tonne) of this demand a year.

The problem with nickel ore from the Philippines is that the cargo is inherently wet.

Whatever the reason our climate has changed from 25 years ago when there was a clear distinction between the dry and rainy season, today in the areas in the southern Philippines where nickel ore is loaded it rains all year round.

Surigao and the surrounding islands are the most popular location for loading nickel ore, there are no facilities for loading at the actual port of Surigao which is a small provincial port, actual loading is located up to, in the case of Carrascal, Adlay, over 40 nautical miles away. This can lead to confusion, especially when masters are expecting a port with a pier and loading facilities. The waters around this area are subject to strong tide rips and a vessel can experience strong set. Several loaded vessels have run aground in Dinagat Sound and masters of loaded vessels should navigate with extreme caution and consider a more prudent departure to open ocean to the East

These mines are in extremely remote areas, mining is open cast, the nickel ore is stockpiled on the shore exposed to the elements. The nickel ore is transferred from the stockpiles by barge to a vessel normally anchored a mile or more offshore.

Due to there being no actual facilities the trade utilises handymax size vessels which can self-load the cargo via ships grabs. A normal shipment is 55,000 wmt, two decades ago in the dry season this could be loaded in seven days, however with the change in climate the average time is three weeks or more.



Length of voyage should never be a defining factor in deciding if a cargo is suitable to carry, it should also be remembered that the IMSBC code clearly states the limitations of the “*can-test*” and even a satisfactory *can-test* does not mean that a cargo of nickel ore complies with the IMSBC and the cargo safe to carry. It must be clearly understood that the human eye can-not determine if a cargo complies with the IMSBC, the only way to ensure a cargo complies with the IMSBC is through analysis carried out under correct protocols. During attendance by our surveying company SSI, evidence from comparisons of certificates issued by the local mines in juxtaposition with independent analysis of samples undertaken abroad show a significant difference with errors between 8% to 10% in FMP (Flow Moisture Point).

In 2019 nearly half of the 31 registered nickel ore mines in the Philippines were suspended either due to administrative or environmental issues. Currently the ban on nickel ore export from Indonesia will put further strain on the Philippines to fill demand and pressure to re-open mines. In regards to relying on the local mine's certificates then in every attendance wherein we have sent samples for independent analysis where we were concerned about the moisture content all failed.

While P&I Clubs of the IG require vessel owners to advise their respective club the intention to load nickel ore from the Philippines, reality is that many vessels calling do so under the radar.

Please contact Pandiman at any time for further information.

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