



# A recent Arbitration Award considered the Gencon General Strike Clause and whether laytime ran during the period of a strike?

AUTHOR / KEY CONTACT



Linda Jacques  
Partner

✉ Linda.jacques@LA-law.com  
☎ 01202 702611

The vessel was chartered on an amended Gencon 94 form for a voyage between Kandla in India to Chittagong in Bangladesh carrying a bulk cargo of salt. The dispute was whether laytime should count during a period of 6.62 days when a strike at Chittagong interrupted the discharge of the vessel.

On 18 April, the vessel arrived at Chittagong and discharge commenced. The strike started on 21 April and ended on 27 April. Laytime expired on 14 May, factoring in periods of bad weather and assuming time ran during the strike. Further disruptions were caused by subsequent adverse weather but by then the vessel was on demurrage. Demurrage continued to run until 27 May when the discharge was completed.

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Arbitration proceedings were commenced by the owners who claimed demurrage of USD72,297.91.

The Tribunal had to determine whether time ran during the period of the strike. This would be determined by the wording of the Gencon General Strike Clause, which provided:

*“GENERAL STRIKE CLAUSE Neither Charterers nor Owners shall be responsible for the consequences of any strikes or lock-outs preventing or delaying the fulfilment of any obligations under this contract...*

*If there is a strike or lock-out affecting the discharge of the cargo on or after the vessels arrival at or off port of discharge and same has not been settled within 48 hours, Receivers shall have the option of keeping vessel waiting until such strike or lock-out is at an end against paying half demurrage after expiration of the time provided for discharging, or of ordering the vessel to a safe port where she can safely discharge without risk of being detained by strike or lock-out. Such orders to be given within 48 hours after Captain or Owners have given notice to Charterers of the strike or lock-out affecting the discharge...”*

The Tribunal held that the facts of the present case and those in *The Onisilos* [1971] 2 Lloyd’s Rep 29 were similar as the master and/or the owners did not give notice of the strike to the charterers under the third paragraph of the General Strike Clause, but in both instances, the existence of the strike were known to the receivers and the charterers.

Here, the strike started after the vessels arrival at the discharge port, and was not settled within 48 hours. The charterers could keep the vessel at the port with laytime running in full and at half the demurrage rate, upon the expiry of laytime until the strike came to an end, with the full demurrage rate being payable thereafter, or send the vessel to a strike free port.

However, as the charterers opted to do nothing, and the strike came to an end before laytime expired, laytime continued to run in full. This meant the owners were entitled to count time during the strike and the sum claimed, together with interest.