

THE ROTTERDAM RULES - AN OVERVIEW OF THEIR KEY PROVISIONS

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ABSTRACT

For many years, the international law community has sought uniformity and harmonization of international maritime law on cargo liability that would equitably address the often-conflicting interests of shippers and carriers. Historically, there have been several well known attempts at establishing uniform international law in this field, including: the Hague Rules (1924); the Hague/Visby Rules (1968); the Hamburg Rules (1978); and the International Multimodal Transportation Convention (1980), but none of these attempts has managed to achieve the global level of acceptance necessary for international uniformity.

On 23 September 2009, sixteen countries signed new *Convention on Contracts for the International Carriage of Goods Wholly or Partly by Sea*, known as “the „Rotterdam Rules“. The Convention is designed to legislate not only for international maritime carriage of goods but also for international multimodal carriage of goods, where a maritime leg is provided for in the contract of carriage. It is best described as a “maritime plus” instrument. If entered into force, the Convention will significantly change the market position of maritime stakeholders, including shippers, carriers, freight forwarders and marine insurers.

The Rotterdam Rules are relatively extensive, running to some 96 Articles. This paper provides an overview of their key provisions dealing with the scope of application of the Rules, freedom of contract, the rights and obligations of the contracting parties, transport documents, limitation of actions, jurisdiction and arbitration. The most important innovations as well as the most controversial points in the Rules shall be pointed out.

1 INTRODUCTION

The current legal regime governing the international carriage of goods by sea is characterized by complexity and a lack of uniformity. Currently, three separate international treaties govern international maritime transport: the International Convention for the Unification of Certain rules of Law relating to Bills of Lading (Brussels, 1924, “the Hague Rules”), the Protocol to Amend the International Convention for the Unification of Certain Rules of Law relating to Bills of Lading (Brussels, 1968, “the Hague-Visby Rules”) and the United Nations Convention on the Carriage of Goods by Sea (Hamburg, 1978, “the Hamburg Rules”). Furthermore, the Hague-Visby Rules have also been amended in some States by the 1979 Protocol on Special Drawing Rights (SDR).

None of these international agreements has managed to establish a uniform global regime for maritime transport. The Hague Rules have achieved the greatest level of international acceptance.¹ However, the Hague Rules have not been uniformly implemented

¹ As of the date of writing, there are 70 States Party to the Hague Rules, 30 States Party to the Hague-Visby Rules and 34 States Party to the Hamburg Rules. The 1980 International Multimodal Convention, which has not

or applied. Furthermore, they are 86 years old and do not adequately take into account modern commerce and transport practice.²

Different set of national, regional and international regimes do not offer a reliable and transparent legal framework required by the maritime stakeholders in order to do business internationally [1].

Taking into account these and other concerns and obstacles, the maritime industry and the Governments decided to take new efforts in order to achieve international legal harmonization. The new international agreement seems to be the proper tool to achieve this goal. In 1996, the United Nations Commission on International Trade Law (UNCITRAL) decided to commence work on this project and, in 2001, established a “Working Group on Transport Law” to carry out this task. The UNCITRAL especially assigned the Working Group the task of introducing consistency and uniformity into the rules governing cargo claims for both sea transport and, to the extent feasible, multimodal transport involving a sea leg.

After almost seven years of deliberations, the General Assembly of the United Nations approved and adopted on December 11, 2008, the Convention on Contracts for the International Carriage of Goods Wholly or Partly by Sea. A ceremony for the opening for signature of the Convention was held on September 23, 2009 in Rotterdam. The Convention is known as “The Rotterdam Rules”³.

2 STRUCTURE AND THE ESSENTIAL INNOVATIONS OF THE ROTTERDAM RULES

The Rotterdam Rules are relatively extensive, running to 96 Articles. They are divided into eighteen chapters as follows:

- Chapter One - general provisions
- Chapter Two - scope of application
- Chapter Three - electronic transport records
- Chapter Four - obligations of the carrier
- Chapter Five - liability of the carrier for loss, damage or delay
- Chapter Six - additional provisions relating to particular stages of carriage
- Chapter Seven - obligations of the shipper to the carrier
- Chapter Eight - transport documents and electronic transport records
- Chapter Nine - delivery of the goods
- Chapter Ten - rights of the controlling party
- Chapter Eleven - transfer of rights
- Chapter Twelve - limits of liability
- Chapter Thirteen - time for suit
- Chapter Fourteen - jurisdiction
- Chapter Fifteen - arbitration
- Chapter Sixteen - validity of contractual terms
- Chapter Seventeen - matters not governed by this Convention
- Chapter Eighteen - final clauses

entered into force, should also be mentioned as another unsuccessful attempt to achieve satisfactory level of legal uniformity in respect of transport regulation.

² For example, modern commerce is increasingly turning to paperless transactions.

³ In this paper, the terms „the new Convention“and „the Rotterdam Rules“shall be equally used with the same meaning.

2.1 General provisions

This Chapter contains the salient definitions of the basic terms used in the new Convention. “Contract of carriage” is defined as a contract whereby the carrier undertakes to carry goods from one place to another against payment of freight. The contract shall provide for carriage by sea and may provide for carriage by other modes of transport in addition to the sea carriage. This definition means that there may be contracts of carriage that fall under the Convention as well as under another carriage convention, such as the Convention on the Contract for the International Carriage of Goods by Road, 1956 (CMR).

“Carrier” is defined as a person that enters into a contract of carriage with a shipper. However, a novel concept is introduced into the new Convention - that is the “performing party” defined as a person other than the carrier that performs or undertakes to perform any of the carrier’s obligations under a contract of carriage to the extent that such person acts, either directly or indirectly, at the carrier’s request or under the carrier’s supervision or control. The term “performing party” does not include any person who is retained by a shipper, by a documentary shipper, by the controlling party or by the consignee instead by the carrier. The performing party will only fall under the new Convention if it is a “maritime performing party”, which is defined as a performing party to the extent that it performs or undertakes to perform any of the carrier’s obligations during the period between the arrival of the goods at the port of loading of a ship and their departure from the port of discharge of a ship. An inland carrier is a maritime performing party only if it performs or undertakes to perform its services exclusively within a port area.

On the cargo-owning side of the contract of carriage, the “shipper” is defined as a person that enters into a contract of carriage with a carrier. The new Convention also refers to the “documentary shipper”, who is defined as a person, other than the shipper, that accepts to be named as the shipper in the transport document or electronic transport record. This would cover a consignor who has no express contractual relations with the carrier. All other persons involved in the contract of carriage are also defined. The “holder” is defined as a person in possession of a negotiable transport document. With an order document, the holder person must be indentified in it as the shipper or the consignee, or holder must be the endorsee. With a blank indorsed bearer document or bearer document, the holder is the bearer of the document. The “consignee” is defined as a person entitled to take delivery of the goods under a contract of carriage or a transport document or electronic record.

Furthermore, the new Convention in Article 1 defines the documentation covered by the Convention (i.e. transport document, negotiable transport document, non-negotiable transport document, electronic transport record, negotiable electronic transport record, non-negotiable electronic transport record).

2.2 Scope of application

One of the most significant changes made by the Rotterdam Rules to existing law is the expansion of its scope of application to include door-to-door transport. The Hague and Hague-Visby Rules apply only tackle-to-tackle, while the Hamburg Rules cover port-to-port shipments. Like the Hamburg Rules, the Rotterdam Rules cover both inbound and outbound international shipments to or from a Contracting State, unlike the Hague and Hague-Visby systems which covered only shipments outbound from a Contracting State.⁴ The new Convention applies to contracts in both the liner and non-liner trades, but not to charterparties

⁴ Article 5 of the Rotterdam Rules.

or alternate contracts for use of a ship or space on it.⁵ However, the new Convention does apply to contracts of carriage in the non-liner trade but only when a transport document has been issued. The Convention also contains a partial derogation from its provisions as regards volume contracts.⁶

2.3 Electronic transport records

The Hague, Hague-Visby and the Hamburg Rules fail to contain provisions regulating electronic commerce. The Rotterdam Rules contain an entire chapter (Articles 8, 9 and 10) intended to provide an effective legal framework on which to base the development of electronic commerce in maritime transport. The concept of the “controlling party and the “right of control”, as well as the “transfer of rights” are keys to the development of this framework.⁷ Pursuant to Article 8 of the Rotterdam Rules, anything that is to be in or on a (paper) transport document may be recorded in an electronic transport record provided that the issuance and use of an electronic transport record is with the consent of the carrier and the shipper and that the issuance, control or transfer of an electronic transport record has the same effect as the issuance, possession, or transfer of a (paper) transport document.

2.4 Obligations of the carrier

The basic obligations of the carrier are to carry the goods to the place of destination and to deliver them to the consignee, subject to the Convention and in accordance with the terms of the contract of carriage. Unlike the Hague and the Hague-Visby Rules, delivery is now specifically mentioned as an obligation of the carrier.

Within Chapter 4, the Rotterdam Rules further subdivide the basic obligations into:

- The duty of care for the cargo; and
- The duty to exercise due diligence in providing a seaworthy vessel.

While the first obligation is applicable irrespective of the mode of transport, the second, for obvious reasons, can only apply in the context of the maritime leg.

Whereas the Hague-Visby Rules limited the due diligence obligation to the beginning of the voyage, the new Convention now specifies that this duty applies throughout the entire sea voyage.

2.5 Liability of the carrier for loss, damage or delay

Provisions that govern the basis of liability are core to any liability convention as they determine who is liable, and under what circumstances, for a loss or damage and with whom the burden of proof lays. The Rotterdam Rules maintain the basic point of the carrier’s liability principle - the presumed fault principle. However, the order of proof established by the new Convention is somewhat different from that of the Hague, Hague-Visby and the

⁵ Pursuant to Article 1(para 3) of the Rotterdam Rules, liner transportation means a transportation service that is offered to the public through publication or similar means and includes transportation by ships operating on a regular schedule between specified ports in accordance with publicly available timetables of sailing dates.

⁶ Article 80 of the Rotterdam Rules. *Infra*, chapter 2.16 of this paper. Pursuant to Article 1 (para 3), volume contract is defined as a contract of carriage that provides for the carriage of a specified quantity of goods in a series of shipments during an agreed period of time. The specification of the quantity may include a minimum, a maximum or a certain range.

⁷ Pursuant to Article 1 of the Rotterdam Rules, controlling party means the person that is entitled to exercise the right of control (meaning the right under the contract of carriage to give the carrier instructions in respect of the goods. The right of control can be transferred by the transfer of a negotiable electronic transport record.

Hamburg Rules. Under the Rotterdam Rules, once the claimant establishes *a prima facie* case for loss, the carrier has the option to refute the claim by disproving the claim or asserting that an “excepted peril” was responsible for the loss, damage or delay. The claimant may rebut the carrier’s defence by proving that the carrier or his employee was, in fact, responsible for the loss, or that the carrier did not meet his obligation to keep the ship seaworthy throughout the entire voyage. Nonetheless, if the carrier can prove that it exercised due diligence in the discharge of its obligations, it is relieved of liability for the damage or loss.⁸

Comparing to the Hague-Visby regime, some further changes have been made. Error in navigation (i.e. act, neglect, or default of the master, mariner, pilot or the servants of the carrier in the navigation or in the management of the ship) is deleted from the “excepted perils list”. Furthermore, the Rotterdam Rules regulate the carrier’s liability for delay. This liability is not strict but is subject to the same scheme of liability and burden of proof as any other cargo damage claim.⁹

Article 19 of the Rotterdam Rules provides for maritime performing parties to be subject to the same responsibilities and liabilities as those imposed on the carrier under for the period in which they have custody of the goods or at any other time to the extent that they are participating in the performance of any of the activities contemplated by the contract of carriage. They are also entitled to the carrier’s rights and immunities during the same period.

Pursuant to Article 20, the liability of the carrier and one or more maritime performing parties is joint and several, but only up to the limits provided in the Convention. Furthermore, their aggregate liability shall not exceed the overall limits of liability under the Convention.¹⁰

2.6 Additional provisions relating to particular stages of carriage - problem of competing conventions

Article 26 of the Rotterdam Rules deals with the situation in which the loss, damage, or the event causing delay, occurs during the carrier’s period of responsibility, but solely before their loading on the ship or solely after their discharge from the ship. In this event, the provisions of the Rotterdam Rules do not prevail over those provisions of another international instrument that, at the time of such loss, damage or event or circumstance causing delay:

- a) pursuant to the provisions of such international instrument would have applied to all or any of the carrier’s activities if the shipper had made a separate and direct contract with the carrier in respect of the particular stage of carriage where the loss of, or damage to goods, or an event or circumstance causing delay in their delivery occurred;
- b) specifically provide for the carrier’s liability, limitation of liability, or time for suit; and

⁸ The new Convention maintains the Hague-Visby list of „excepted perils“(i.e. perils of the sea which caused the damage to the goods and which are beyond carrier's control and fault). However, some changes are notable. So, in the Rotterdam Rules one can find a new exemption for damage liability - terrorism.

⁹ Pursuant to Article 18, the carrier is responsible for any other person who performs or undertakes to perform any of the carrier's responsibilities under the contract of carriage, to the extent that the person acts at the carrier's request or under the carrier's supervision or control. However, although the carrier is responsible for the defaults of performing parties, not all performing parties fall under the Convention. Only maritime performing parties may incur liabilities under the Convention and may rely on the rights and immunities granted to the carrier by the Convention.

¹⁰ Article 23 of the Rotterdam Rules establishes a presumption of delivery of the goods by the carrier in accordance with their description in the contract particulars, unless proper notice of loss of or damage to the goods was given to the carrier or the performing party.

c) cannot be departed from by contract either at all or to the detriment of the shipper under that instrument.

This provisions attempt to provide a network solution to the problems of competing conventions that occur with multimodal carriage. According to some commentators, it is not likely that this solution would be able to solve all possible practical problems [2].¹¹

2.7 Obligations of the shipper to the carrier

In the context of the shipper's obligation, the most important clarification made by the Rotterdam Rules are the provisions that state that the cargo interests (shippers and consignees) are responsible for delivering the cargo fit for its intended transportation and for later accepting receipt of the goods at destination.¹² The shipper must also provide all important information relating to the handling and transportation of the goods, as well as for the establishment of transport documents. If those responsibilities are not properly carried out, the shippers will be liable. The limitation of shipper's liability is not prescribed in the Rotterdam Rules. Relating to the carriage of dangerous cargo, the shipper must provide the necessary information on the dangerous nature of the cargo and must ensure its proper marking. Any breach of such responsibilities will result in a strict liability [3].

2.8 Transport documents and electronic transport records

The new Convention equally evaluates paper transport documents and electronic transport records. It is the shipper's option (or, if the shipper consents, the documentary shipper's option) to require issuance of a negotiable (or non-negotiable) transport document or a negotiable or (non-negotiable) electronic transport record. The provisions of Rotterdam Rules regulate which contract particulars must be included in the transport documents or electronic transport record.¹³ Furthermore, they regulate carrier's right to qualify the information concerning cargo, as furnished by the shipper. If the certain conditions are fulfilled, the carrier is entitled to enter remarks in the transport document (or electronic transport record) in order to indicate that he does not assume responsibility for the accuracy of the information furnished by the shipper.¹⁴ Except to the extent that the contract particulars have been qualified by the carrier, a transport document or an electronic transport record is a *prima facie evidence* of the carrier's receipt of the goods as stated in the contract particulars. Proof to the contrary by the carrier in respect of any contract particular shall not be admissible when such particulars are included in a negotiable transport document or a negotiable electronic transport record that is transferred to a third party acting in good faith.¹⁵

2.9 Delivery of the goods

The new Convention for the first time regulates the rights and obligations of both cargo interest and carrier at destination. Some very important topics are covered in this chapter:

- Consignee's right to request delivery of the goods;
- Carrier's right to request acceptance of delivery by the consignee;
- The rights of the carrier when the cargo cannot be delivered at destination;

¹¹ The question of deviation and deck cargo is also regulated in the Rotterdam Rules (Articles 24-25).

¹² Articles 27-34 of the Rotterdam Rules.

¹³ Articles 26-37.

¹⁴ Article 40.

¹⁵ Article 41 of the Rotterdam Rules. Provisions of this Article also regulate other situations when proof to the contrary by the carrier in respect of any contract particulars shall not be admissible.

- Delivery when Bills of Lading are not available;
- Carrier's right to retain the goods to secure the payment of sums due.¹⁶

2.10 Rights of the controlling party¹⁷

Previous maritime transport conventions have not dealt with the concepts of the controlling party. The new Convention contains provisions that effect seller's right to control the goods in transit, a right under the sales contract.

Right of control is limited to the right to give or modify instructions in respect of the goods that do not constitute a variation of the contract of carriage; the right to obtain delivery of the goods at a scheduled port of call or, in respect of inland carriage, any place *en route*; and the right to replace the consignee by any other person including the controlling party.

Under the Rotterdam Rules, the person wishing to control the goods in transit must present the full set of negotiable documents to the carrier. The controlling party is easily identified by the implementation of the provisions of the Rotterdam Rules.¹⁸

2.11 Transfer of rights

The new Convention regulates the methods of transferring rights incorporated in the negotiable transport document or electronic transport record. These methods are well known in almost all national laws. It is worth noting that new Convention contains important clarification that any holder that is not the shipper and that does not exercise any rights under the contract of carriage will not assume any liability under the contract of carriage, solely by virtue of being a holder.¹⁹

2.12 Limits of liability

The Hague Rules contain only a per package limitation amount of carrier liability (£100 sterling) while the Hague-Visby Rules have both a per package limitation (666.67 SDRs) and a per kilogram limitation (2 SDRs) always applying the higher amount. The Hamburg Rules increased those limitation amounts to 835 SDRs per package and 2,5 SDRs per kilogram.

The Rotterdam Rules contain a slight increase of the limitation levels on carrier liability in the amount of 875 SDRs per package, and 3 SDRs per kilogram.²⁰

Liability for economic loss due to delay in delivery is limited to an amount equivalent to two and one-half times the freight payable on the goods delayed.

The Rotterdam Rules preserve the standard that neither the carrier nor any of other persons liable under the Convention, is entitled to the benefit of the limitation of liability if the claimant proves that the loss resulting from the breach of the obligation was attributable to a personal act or omission of the person claiming a right to limit done with the intent to cause such loss or recklessly and with knowledge that such loss would probably result.²¹

2.13 Time for suit

¹⁶ Articles 43-45.

¹⁷ For the definition of terms „controlling party“ and „right of control“, *supra*, 2.1. General provisions.

¹⁸ Unfortunately, the solutions of the Rotterdam Rules regarding controlling party are applicable only when the negotiable documents are issued. The corresponding situation for non-negotiable documents should be solved by the application of national law.

¹⁹ Article 58.

²⁰ Article 59.

²¹ Article 61.

Under the Hague and Hague-Visby Rules, a cargo claimant has one year in which to file its action against the carrier before such an action would be time-bared. The Hamburg Rules extended this period to two years, and the Rotterdam Rules have followed the solution of the Hamburg rules. This period commences on the day on which the carrier has delivered the goods or, in cases in which no goods have been delivered or only part of the goods have been delivered, on the last day on which the goods should have been delivered.²²

2.14 Jurisdiction

The Hague and Hague-Visby Rules do not deal with jurisdiction and arbitration. The provisions of the Rotterdam Rules on these issues are based upon the corresponding provisions in the Hamburg Rules. These chapters were the subject of focused discussion, contrasting those in favour of including such provisions with those who preferred to leave the areas to domestic or other rules.²³ A compromise solution was found, whereby the chapter on jurisdiction was made subject to an “opt-in” reservation: only those States that specifically make a declaration that they are to be bound by those chapters will be bound by them.²⁴

Article 66(a) provides for actions against the carrier to be brought in the following places situated in a Contracting State:

- The domicile of the carrier;
- The place of receipt agreed in the contract of carriage;
- The place of delivery agreed in the contract of carriage; or
- The port where the goods are initially loaded on a ship or the port where the goods are finally discharged from a ship.

Alternatively, Article 66(b) permits proceedings to be brought in a court designated by an agreement between the shipper and the carrier. However, such a court will be exclusive only exceptionally.²⁵

2.15 Arbitration

Like the chapter on jurisdiction, the chapter on arbitration is also subject to an “opt-in” declaration made by a Contracting State.²⁶ The arbitration proceedings shall, at the option of the person asserting a claim against the carrier, take place at:

- Any place designated for that purpose in the arbitration agreement;²⁷ or
- Any other place situated in a State where any of the following places is located: the domicile of the carrier; the place of receipt agreed in the contract of carriage; the place of delivery agreed in the contract of carriage; or the port where the goods are initially loaded on a ship or the port where the goods are finally discharged from a ship.²⁸

²² Article 62.

²³ The situation was further complicated by the European Commission's participation in the negotiations, since the EC had exclusive competence to negotiate on behalf of its Member State in respect of jurisdiction.

²⁴ Article 74.

²⁵ Article 67. In fact, the exclusive choice of court agreement is effective only if contained in a volume contract.

²⁶ Article 78.

²⁷ Pursuant to Article 75(3), the designation of the place of arbitration in the agreement is binding only if contained in a volume contract. Pursuant to Article 77, after a dispute has arisen the parties to the dispute may agree to resolve it by arbitration in any place.

²⁸ Article 75(2).

2.16 Validity of contractual terms

While the provisions of the new Convention are (in principle) mandatory, a volume contract may provide for greater or lesser rights, obligations and liabilities than those imposed by the Rotterdam Rules.²⁹

Like the Hague and Hague-Visby Rules, the Rotterdam Rules provide that any term in a contract of carriage is void to the extent that it excludes or limits the obligations of the carrier or a maritime performing party under the Convention. Any contractual provision which excludes or limits the liability of the carrier or a maritime performing party for breach of an obligation under the Convention is also void. Furthermore, this principle also applies against the cargo owner (i.e. shipper, documentary shipper, consignee, controlling party and holder).

A certain degree of contractual freedom is permitted in respect of the carriage of live animals and other shipments that are not “ordinary commercial shipments.”³⁰

2.17 Matters not governed by the provisions of the Rotterdam Rules

Article 82 attempts to deal with the problems of overlap between the Rotterdam Rules and existing unimodal conventions by providing that nothing in the new Convention affects the application of:

- Any convention governing the carriage of goods by air to the extent that such convention according to its provisions applies to any part of the contract of carriage;
- Any convention governing the carriage of goods by road to the extent that such convention according to its provisions applies to the carriage of goods that remain loaded on a road cargo vehicle carried on board a ship;
- Any convention governing the carriage of goods by rail to the extent that such convention according to its provisions applies to carriage of goods by sea as a supplement to the carriage by rail; or
- Any convention governing the carriage of goods by inland waterways to the extent that such convention according to its provisions applies to a carriage of goods without trans-shipment both by inland waterways and sea.

The provisions of the Rotterdam Rules do not affect the application of any international or national legal instrument regulating the global limitation of shipowner’s liability. Furthermore, the Rotterdam Rules do not affect contractual provisions as well as the provision of national laws regulating the adjustment of general average. The new Convention does not apply to a contract of carriage for passengers and their luggage.³¹

²⁹ Article 80. The volume contracts currently cover more than 90% of container trade. However, there are a number of provisions from which a volume contract can never derogate: the carrier's obligation to make and keep the ship seaworthy, to properly crew, equip and supply the ship, the shipper's obligation to provide information, instructions and documents, and the loss of the benefit of the limitation on liability of the carrier. Under Article 80(2) (c), the shipper is always given an opportunity to insist that despite shipping under a volume contract, all provisions of the Rotterdam Rules will apply to the contract of carriage without derogation.

³⁰ Article 81.

³¹ Articles 83-85. Pursuant to Article 86, no liability arises under the Rotterdam Rules for damage caused by a nuclear incident if the operator of a nuclear installation is liable under any other applicable international or national legal instrument.

2.18 Final clauses

Pursuant to Article 94, the Rotterdam Rules shall enter into force on the first day of the month following the expiration of one year after the date of deposit of the twentieth instrument of ratification, acceptance, approval or accession.³²

In order to achieve the highest level of international legal uniformity, Article 89 requires States that accept, approve or accede to the Rotterdam Rules to denounce existing maritime conventions to which they are a party - namely, the Hague Rules, the Visby Protocol and its 1979 amending Protocol, and the Hamburg Rules.

3 CONCLUSIONS

If entered into force, the Rotterdam Rules shall significantly change the existing international regime regulating carriage of goods. There are numerous positive innovations to the present Hague-Visby regime (the provisions on electronic documents, the increase of the liability limits, the deletion of the nautical fault defence, the principle of door to door applicability of one single liability regime, the innovations regarding the liability of performing parties, the provisions regarding the carriage on deck of containers).

However, some provisions of the Rotterdam Rules may be perceived as doubtful (the freedom of contract provisions for volume contracts, unlimited shipper's liability to the carrier, overlapping with other unimodal conventions and national laws, "opt-in" clauses in respect of jurisdiction and arbitration). One should not ignore the general objection related to the complexity of the new Convention.

Each international agreement is a "grand compromise". In the case of the Rotterdam Rules, it is a compromise between cargo interests and carriers. Although not the perfect one, it is probably the best possible compromise.

The prospects for broader ratification will depend on the views of the transportation industry interest groups in each country who will be most directly affected by the new Convention.

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³² Under the Article 93, a regional economic integration organization (i.e. European Union) may become a Party to the Rotterdam Rules.