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\$25m to buy freedom for detained vessel

By Yeung Wai-man and Tonny Chan

THE cargo vessel *Magnificence Venture*, detained by mainland authorities over a trade dispute, is expected to be released soon after its Hongkong shipping agent agreed to post \$25 million in security yesterday.

Local shipping sources said Fairmont Shipping (HK) Limited is to provide the security as demanded by the Shekou authorities.

The ship was detained by the Guangzhou Maritime Court on Saturday at the request of a Shenzhen trader.

The ship, which sailed from Portland in the United States, anchored at Shekou on March 11 with 18,000 tonnes of wheat on board.

The Shenzhen trader, a Hongkong businessman, found some of the wheat damaged by water and claimed his Shenzhen factory had to cease operations temporarily at a loss of US\$3.25 million.

Fairmont would not comment on the state of the freighter or its 20-man crew.

But shipping sources

said the agent had agreed to meet the Guangzhou Maritime Court order and post the required security.

"The vessel and its crew should be able to leave Shekou within a few days," said the sources, adding that security would be posted through mainland lawyers.

The sources said they understood it was the first time that China had detained vessels under the charge of Fairmont.

It was also the first time in eight years that a ship had been detained at Shekou over a trade dispute.

A surveyor of the Shekou Ship Protection Bureau yesterday inspected the impounded ship.

The bureau spokesman was not available for comment but according to the trader involved in the dispute, a report on the inspection was expected in a few days.

The manager of the trader, Far East China Flour Mills Limited, Miss Eva Hui, said they were

told the surveyor found many repairs being done on the vessel.

The ship was last night being guarded by two officers from the maritime court and two border guards.

The ship can be impounded until April 24 under the court order which is valid for one month, and it could be auctioned if no satisfactory agreement is reached.

Miss Hui told *The Hongkong Standard* that according to the ship's captain, the cargo was damaged during a storm.

Miss Hui said the ship's insurer was informed of the damage and had contacted the flour factory but "have done nothing concrete".

Yesterday, 700 tonnes of the 5,250 tonnes of wheat to be unloaded in Shekou was still on board.

"Part of the wheat looks good but we'll have to test it before we can be sure that it is suitable for making flour," Miss Hui said.

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