الدراسة السادسة:

Tonnage Contract in Maritime Commercial Law: Comparative Legal Analysis under the Rotterdam Rules

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Abstract

Most of the stuff we buy or sell across borders still travels by sea, almost 90%, actually. It is easy to forget that when so much focus is on airfreight or digital services, but shipping is still the foundation of global trade. The issue is that the laws we rely on to regulate maritime transport are outdated and no longer fit today's realities. They do not reflect the way shipping works today especially with newer practices and technologies. That is why the Rotterdam Rules were introduced. They try to fix that gap.

Over the years, different legal systems have relied on conventions like the Hague-Visby Rules or the Hamburg Rules, But those documents don't cover everything. One of the issues is with something called the Tonnage Contract. It is used often in practice but is not really handled well in those older legal frameworks. That creates uncertainty.

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What is legal in one place might not be recognized in another. The Rotterdam Rules try to create one clear set of rules that apply globally, or at least that is the goal.

This study takes a comparative perspective on how the Rotterdam Rules regulate the tonnage contract in relation to earlier maritime conventions, particularly the Hague Rules and the Hamburg Rules. By setting these frameworks side by side, the paper highlights both the elements of continuity and the departures introduced by the Rotterdam Rules, with special focus on the legal and practical implications for carriers, shippers, and the wider shipping industry.

This paper looks at how the Rotterdam Rules deal with the Tonnage Contract. Do they actually help? Are things clearer now for carriers and shippers? What is new compared to the previous laws?

It seems like the Rotterdam Rules offer more structure, and they do address issues the older laws ignored. However, it is not all-smooth sailing. Changing laws isn't easy, especially when every country has its own way of doing things. Many countries has not signed on to the Rotterdam Rules yet, and that creates a new kind of inconsistency.

Still, if adopted more widely, these rules could really help clean up the legal mess in international shipping. Contracts would be easier to write and enforce, and there would be fewer surprises for companies moving goods across borders; it is a step in the right direction.

Keywords: Rotterdam Rules, Tonnage Contract, international maritime law, shipping, carriage of goods by sea, legal framework, maritime trade, container shipping, multimodal transportation.

الملخص

عقد الحمولة في القانون التجاري البحري: دراسة قانونية مقارنة في ضوء قواعد روتردام

معظم السلع التي نشتريها أو نبيعها عبر الحدود لا تزال تُنقل عبر البحر — حوالي 90% تقريبًا. هذا أمر قد لا ننتبه له كثيرًا، خاصةً مع كل التركيز اليوم على الشحن الجوي أو التجارة الرقمية، لكن النقل البحري ما زال العمود الفقري للتجارة العالمية. المشكلة أن القوانين التي تنظم هذا القطاع ما زالت قديمة نوعًا ما. لا تعكس طريقة العمل الحالية في الشحن، خاصة مع التطورات التقنية وتعدد أساليب النقل. وهنا ظهرت "قواعد روتردام" كمحاولة لسد هذه الفجوة.

على مدار السنوات، اعتمدت الأنظمة القانونية المختلفة على اتفاقيات مثل "قواعد لاهاي" أو "قواعد هامبورغ"، لكنها أصبحت قديمة، ولا تغطي كل التفاصيل. إحدى الثغرات تتعلق بما يُعرف بـ "عقد الحمولة" أو "عقد السعة"، وهو يُستخدم كثيرًا عمليًا، لكنه لا يُنظَّم بشكل واضح في تلك الاتفاقيات القديمة. ما يُعتبر قانونيًا في دولة، قد لا يكون كذلك في دولة أخرى. جاءت قواعد روتردام بهدف تقديم نظام قانوني موحد وواضح يعالج مثل هذه المشكلات.

هذه الدراسة تبحث في كيفية تعامل قواعد روتردام مع عقد الحمولة. هل نجحت في توضيح الأمور؟ هل أصبحت الشروط أكثر وضوحًا بالنسبة للناقلين وأصحاب البضائع؟ ما الجديد مقارنةً بالقوانين السابقة؟

تجري الدراسة مقارنة بين كيفية تناول قواعد روتردام لعقد الحمولة وبين ما ورد في الاتفاقيات البحرية السابقة، وبالأخص قواعد لاهاي وقواعد هامبورغ. ويُظهر هذا المنظور أوجه التشابه والاستمرارية، وكذلك الجوانب التي تختلف فيها القواعد الجديدة عن الممارسات التقليدية، مع التركيز على النتائج القانونية والعملية بالنسبة للناقلين وأصحاب البضائع والتجارة البحرية بشكل عام.

يبدو أن قواعد روتردام أضافت هيكلة أوضح، وتناولت قضايا لم تكن مغطاة من قبل. لكنها بدورها تعاني من بعض الصعوبات. اذ ان تغيير القوانين في أي دولة ليس أمرًا بسيطًا، خاصة عندما تكون لكل دولة خصوصيتها التشريعية. لم توافق جميع الدول على قواعد روتردام حتى الآن، مما يفتح الباب أمام نوع جديد من عدم التناسق.

ومع ذلك، ان تبنّي هذه القواعد على نطاق أوسع، قد يساعد كثيرًا في تقليل الفوضى القانونية في مجال الشحن الدولي. وسينعكس ذلك على العقود التي ستصبح أوضح، وسهلة التنفيذ، وستساعد في خفض نسبة المخاطر القانونية بالنسبة للشركات التي تنقل البضائع عبر الحدود. هذه القواعد ليست مثالية، لكن من المؤكد أنها خطوة في الاتجاه الصحيح.

كلمات مفتاحية: قواعد روتردام، عقد الحمولة، القانون البحري الدولي، الشحن، نقل البضائع عن طريق البحر، الإطار القانوني، التجارة البحرية، شحن الحاويات، النقل متعدد الوسائط.

Introduction:

The Rotterdam Rules, commonly known as the Rotterdam Convention, is a comprehensive legal framework that regulates the international carriage of goods by sea.(1)

The rights and obligations of all parties with an interest in the carriage of goods by water are outlined in the new Rotterdam Rules, also known as the United Nations Convention on Contracts for the International Carriage of Goods Wholly or Partly by water. The Rotterdam Rules make it clearer who is in responsibility of what and the amount of it they are liable for. The new convention's adoption will simplify international trade and save expenses.

Why are shippers, shipping lines, freight forwarders, insurance companies, and marine lawyers interested in the Rotterdam Rules?

(1) The Convention has been signed by 25 countries so far, but only 4 of them have ratified it (Congo, Cameroon, Spain, and Togo). Ratification is required for at least 20 countries to make the Convention valid. The Convention was prepared with the participation of the Polish delegation within the framework of UNCITRAL (United Nations Commission on International Trade Law) and was subsequently adopted by the United Nations General Assembly on December 11, 2008. Apart from Poland, on September 23, 2009 in Rotterdam representatives of Denmark, Greece, Spain, the Netherlands, Norway, Switzerland, and the USA solemnly signed the Convention.
https://www.marinepoland.com/maritime-affairs-low-policies-rotterdam-rules-are-they-able-to-replace-the-hague-visby-rules-1052.

The convention represents an advancement over previous ones. Each court was making new laws because these conventions were so out of date. Regional remedies, however, are ineffectual because 90% of maritime shipping is international(1). With the new deal, uniformity has been restored. Trade is now easier to grasp and more efficient. Recent innovations like container shipping and computerized data sharing were not taken into account by the outdated conventions. It was also taken into account to want to combine maritime and land transportation into a single pact.

It is now more clear who is responsible and liable for what in the event of a ship being stranded, a container being stolen, or cargo being damaged. There is currently some responsibility for other partners in the chain, such as stevedores(2), in contrast to earlier standards. The responsibility of proof for cargo damage has been transferred to the carriers. Additionally, the shippers are bound by particular obligations. For instance, they need to ensure that the goods are transported in a timely manner. Containers and trailers must be properly packed to ensure that they can withstand the sea voyage. In the event of harm, the legal process has been expedited. The statute of limitations for countries that are parties to The Hague and Hague-Visby Rules, which have the most Contracting States, has been increased from one to two years(3). The name and address of the carrier must also be included in the

(1) Rodrigue, J. P., Comtois, C., & Slack, B. (2020). The Geography of Transport Systems, fifth Ed. Routledge, p: 31.

(2) Burns, Maria G. Port Management and Operations. CRC Press.2018, p: 67; Adolf K.Y. Ng and Jin Wang J. (Eds.). Port-Focal Logistics and Global Supply Chains.2015, Palgrave Macmillan.p:90.

(3) Charles Taylor, Contracts of carriage and bills of lading The Hague Visby Rules, https://www.standardclub.com/fileadmin/uploads/standardclub/Documents/Import/publications/goto-handouts/2767683-contracts-of-carriage-and-bills-of-lading-the-hague-visby-rules.Date of visit: 22/7/2024.

transport document. Both contracts for the maritime transportation of goods and contracts for any required land carriage are subject to the Rotterdam Rules.(1) As a result, a single contract can be used to cover multimodal transportation, and just one legal framework is in place.

The Rotterdam Rules provide the legal basis for the expansion of e-commerce in marine transportation. This includes both electronic transport documents and completely paperless transit. IT will make the process of processing freight movements simpler, but at the expense of actual paper work. Faster processing speeds and a lower probability of errors will lower costs.(2)

Shipping companies and ports will have more options according to the Rotterdam Rules. This will prevent congestion in the port, in order to store products farther from the ship while they wait for the consignee to accept them.

At this stage, it is important to take a step back and adopt a comparative lens. The Rotterdam Rules cannot really be understood in isolation; their treatment of the tonnage contract only reveals its full significance when set against earlier maritime conventions, most notably the Hague Rules and the Hamburg Rules. Looking at them side by side shows both the areas of continuity that remain and the deliberate departures that the Rotterdam Rules introduce. These shifts are not merely technical details—they shape the daily practice of shipping, influencing how carriers and shippers divide their responsibilities and how risks are allocated across the wider trade network. In other words,

(1) Tomotaka Fujita the Coverage of the Rotterdam Rules, https://comitemaritime.org/wp-content/uploads/2018/05/the-coverage-of-rotterdam-rules-BA2010-T.Date of visit: 22/8/2024.

(2) Lorena Sales Pallarés, https://www.researchgate.net/publication/45236394 The Rotterdam Rules Between Hope and Disappointment.date of visit: 29/8/2024.

what may appear as legal refinements on paper translate directly into consequences for global commerce?

What gives this study its distinctive character is precisely this focus on the tonnage contract—an aspect of maritime law that has often been left in the background. Here, it is examined through the framework of the Rotterdam Rules, while also being compared with the Hague–Visby and Hamburg Rules, both of which Lebanon has already acceded to. This dual perspective—international and Lebanese at once—offers something new to the academic discussion and, at the same time, provides a practical angle. It raises the question of how Lebanon might benefit, or what difficulties it might encounter, should it align its maritime legislation more closely with modern international standards. By bringing together theory, comparative law, and local context, the study hopes to contribute not only to scholarly debate but also to the practical understanding of where Lebanese maritime law stands today and how it might evolve.

This study seeks to examine the tonnage contract within the legal framework of the Rotterdam Rules, with attention to its benefits, challenges, and innovations in comparison with earlier maritime conventions. Building on the foregoing, the main question this study examines can be stated as follows: To what extent have the Rotterdam Rules succeeded in providing a comprehensive and clear legal framework for the tonnage contract, compared to the previous maritime conventions to which Lebanon has acceded, namely the Hague–Visby Rules and the Hamburg Rules?

From this central question, the research sets out several working hypotheses.

The first is that Rotterdam Rules offer a more detailed and comprehensive framework for regulating the tonnage contract than earlier conventions. If so they may encourage greater consistency in practice and reduce the number of legal disputes.

The second hypothesis recognizes that the Rotterdam Rules are not free from limitations. There are still some gaps and areas of uncertainty in the way they address the tonnage contract, which could affect how effective they are once applied in practice.

The third hypothesis concerns. Lebanon risks widening the gap between its domestic legislation and contemporary international legal trends by continuing to rely on the older conventions without acceding to the Rotterdam Rules. This situation could undermine its ability to adapt to ongoing changes in global maritime transport.

In light of these hypotheses, the study pursues four objectives:

1. To analyze and clarify the legal framework governing the tonnage contract under the Rotterdam Rules.
2. To compare this framework with The Hague–Visby Rules and the Hamburg Rules.
3. To identify both the strengths and weaknesses that emerge from the Rotterdam Rules in this regard.
4. To assess the possible consequences for Lebanon if it were to adopt the Rotterdam Rules, with attention to the legal and practical effects on its maritime sector.

We will address this paper through the following division:

1. The Legal Framework of Tonnage Contracts

1.1 Understanding the Tonnage Contract

1.1.1 Definition and objectives

1.1.2 Role in The Rotterdam Rules

1. The Legal Framework of Tonnage Contracts

This section takes a closer look at tonnage contracts by first clarifying what they are, outlining their main purposes, and showing how they fit into international legal instruments like the Rotterdam Rules. These contracts help ensure smoother, more efficient maritime transport, particularly in the context of global trade. The analysis moves on to look at the legal framework behind these agreements. It goes over what each party is required to do and what they are entitled to, explaining the limits of those roles. It also examines how tonnage contracts connect with other parts of maritime and business law. This way, it gives a clear view of how these contracts work within today is shipping world.

1.1 Understanding the Tonnage Contract

1.1.1 Definition and objectives

A tonnage contract—sometimes called a charter agreement—is a legal arrangement between people who need to move goods and those who own ships. It lays out how either the whole vessel or just part of its cargo space will be used to transport something. It is usually between a ship-owner, a charterer, or maybe someone who owns the cargo.

In a way, the point of the contract is to make shipping cargo by sea more manageable. It tells what space is available, where things are going, and under what conditions. Therefore, it is not just about the trip—it is about who is doing what, and who is paying for what.

What is helpful is that both sides get something out of it. Ship-owners can earn money from the space on board, and charterers can move their goods without needing to buy a ship or worry about things like repairs or daily management. That is a good deal for both parties.

These contracts usually explain whom handles fuel costs, insurance, port fees, and maintenance—stuff that can cause trouble later if it is not agreed on early. It is all written out to make sure there are fewer surprises once things are moving.

At the end of the day, a tonnage contract gives both parties a legal foundation to rely on. By spelling things out clearly—responsibilities, payments, even how to settle disputes—it makes everything a lot smoother and less risky for everyone involved.

1.1.2 Role in the Rotterdam Rules

So, one of the parts of the Rotterdam Rules that is actually somewhat important, is the Tonnage Contract. It was created as part of Uncitral’s effort to sort out all the mess and contradictions that had piled up in maritime law over time. In addition, to be fair, there were a lot of those.

Now, what the Tonnage Contract really deals with is how to measure a ship's tonnage. That number actually matters a lot — it affects fees, taxes, liability, and more. The issue before was that there was not just one-way to do it. Different countries used their own systems, so things got inconsistent fast. What the Rotterdam Rules try to do is give everyone one clear formula. One way to measure no matter where the ship is or who is involved.

But it is about more than just measurements, this whole idea fits into the bigger purpose of the Rules, to make things fairer, easier to follow, and less confusing. With everyone using the same standard, there is less chance of arguments or loopholes. In addition, that helps everyone in the shipping world, really. It is meant to make trade smoother and give people more confidence in the rules they are working with.

1.1.3 Application and Scope

Tonnage contracts are something we mostly see in trades that move a lot of cargo — like oil, grain, or raw materials. They are used when shippers need regular access to vessels, and when it is important to spell out who does what, and how much it costs, in advance.(1)

A big part of the agreement is the charter party — that is the legal deal between the ship-owner and the charterer. It says how long the vessel will be used, what kind of ship is involved, and how freight or hire is paid. The ship-owner usually takes care of the crew and operations. The charterer is the one paying to move the goods.(2)

(1) Frank Stevens, the Rotterdam Rules: A Practical Annotation, Informa Law from Routledge, 2012, p. 5: Explains how modern transport agreements, including tonnage contracts, are designed for high-volume, cross-border trade needs.
(2) Julian Cooke, Voyage Charters, Informa Law from Routledge, 2020, p.98.
Terence Coghlin et al., Time Charters, Informa Law from Routledge, 2014, p. 92

Another key element is lay time, which refers to the period allowed for loading or unloading. If loading or unloading exceeds the agreed time, the ship-owner is entitled to demurrage — a fee charged for the delay. Some contracts also mention dispatch, which is a bonus if loading finishes early.(1)

Freight charges are often based on how heavy or how big the cargo is — by deadweight tonnage or volume. The rate can change depending on what is being shipped or how far it is going. The parties involved must agree upon this matter in advance.(2)

Another important aspect concerns the issue of liability. If cargo is lost or damaged, the contract specifies who is responsible. Some include indemnity clauses too.(3)

Most of these contracts specify the competent authority for resolving disputes. Some use arbitration, as if under LMAA rules, while others indicate which court will decide.(4)

Finally, the force majeure — it is a standard clause to protect both sides in an unexpected circumstances. Like a war, a strike, or even a storm that makes it impossible to finish the trip.(5)

1.2 The Tonnage Contract's Legal Basis

The legal structure behind a tonnage contract is what gives it structure. It defines what the ship-owner and the charterer each agree

(1) Stephen Girvin, Carriage of Goods by Sea, Oxford University Press, 2022, p. 123.
(2) John F. Wilson, Carriage of Goods by Sea, Pearson Education, 2010, p. 45.
(3) Stephen Girvin, Carriage of Goods by Sea, Oxford University Press, 2022, p. 126. Covers standard liability clauses, indemnity agreements, and risk allocation in sea carriage.
(4) Julian Cooke, Voyage Charters, Informa Law from Routledge, 2020, Chapter 18: Discusses arbitration clauses, LMAA procedures, and jurisdiction in charter party disputes.
(5) François-Xavier Licari, La force majeure et l'imprévision dans les contrats, Dalloz, 2019, p. 58. Cyril Nourissat, La Force Majeure et l'Imprévision dans les Contrats Internationaux, Larcier, 2020, p. 40.

to, including how risks are allocated and setting clear expectations for both sides.

In practice, these contracts typically include additional provisions beyond freight terms. We will often find references to insurance coverage, liability limits, and how disputes should be handled — whether through arbitration or a chosen legal system. Most also include force majeure provisions to responsibilities are shared. This is not merely about transporting cargo — it also involves addressing unforeseen events such as natural disasters, labor strikes, or port closures that may hinder contractual performance.(1)

The tonnage contract does not operate in isolation; it forms part of a broader legal framework that governs and supports maritime agreements. These connected clauses help reduce misunderstandings and provide legal stability when large-scale trade is involved.

1.2.1 Parties' Rights and Obligations

The primary objective of the Tonnage contract is to regulate the movement of products by water. Even while it may not include actual ship ownership, the charterer receives a set amount of cargo space aboard the ship for a specific route or length, often expressed in terms of tones. Specific rights and obligations are subject to both parties hereto under this Agreement.

- Carrier's Rights and Obligations:

Costs of Freight charges a vessel under tonnage contract. How much and so on-many factors come into consideration-the amount of cargo being shipped, the distance involved, and sometimes even the type of

(1) Julian Cooke, John D. Kimball, David Martowski, Léonard J. Mavronicolas, and George D. Wilson, Voyage Charters, fourth edn. Informa Law from Routledge, 2020, p. 471.

cargo. Payment usually extends beyond just buying a space on board. It includes running the vessel and making sure the goods get to where they are supposed to go safely. In some cases, freight is paid up front, in others it is estimated first and settled later.(1)

The carrier also has to make sure the ship is in good shape — that it is seaworthy. That means regular maintenance, following safety rules, and keeping it safe for the cargo and crew.

They are also responsible for handling the cargo with care. The general rule is: deliver it in the same condition as when it was received — unless normal wear and tear happens during a proper voyage.

- Charterer's Rights and Obligations:

Charter agreements in maritime shipping define a set of responsibilities for both the charterer and the carrier. At the heart of the agreement, the charterer is required to pay the agreed freight rate in exchange for transport services and reserved cargo space. It enables the charterer to make use of the ship’s cargo space without incurring the obligations typically tied to vessel ownership. However, this benefit carries specific duties. It is the charterer's duty to furnish precise cargo details and unambiguous loading instructions—elements crucial to the efficient handling of the goods and to compliance with customs and legal requirements.(2)

If unexpected delays or disruptions occur during maritime transport, it becomes essential for the charterer to respond quickly and reasonably.

(1) John F. Wilson, Carriage of Goods by Sea, 7th Ed, Pearson Education, 2010, p. 42.
(2) Martin Dockray, Charter parties: Law, Practice, and Emerging Legal Issues, Informa Law from Routledge, London, UK, 2019.p:21
– أحمد مصطفى أمين, "النقل البحري للبضائع: المستندات والتعليمات," دار الفكر العربي, القاهرة، مصر, 2018 ص:66.

In such cases, they may need to reroute the shipment, organize substitute transportation, or take other steps that help safeguard the cargo and prevent further loss. These practical responses are not only good practice—they reflect the professional diligence expected in commercial shipping operations. According to Article 32 of the Rotterdam Rules, the charterer also has a duty to communicate any relevant information or changes to the carrier immediately. If this obligation is not respected, and damage results from that failure, Article 30 holds the charterer liable.

To manage properly any right of transport, the appropriate papers are necessary. As per Article 29, the charterer is held to ensure that whatever information he has given-including all particulars-is accurate to enable the carrier to draw up correct documents. Even though the Rotterdam Rules do not explicitly mandate the use of adaptability clauses, Article 8 allows parties to incorporate flexible terms into their contracts if they choose to. This allows companies to anticipate risks and changing situations, which is crucial for navigating the fast-paced trade landscape we see today.

The Tonnage Contract serves as an essential foundation for the marine sector, making it easier to move products by sea and defining the rights and obligations of the parties to the agreement. This contract guarantees a balanced and organized relationship between ship-owners and cargo owners by outlining the carrier's duties for vessel operation and cargo care as well as the charterer's responsibilities for cargo provision and payment. A well-written Tonnage Contract not only protects the rights of both parties but also aids in the efficient operation of international trade via maritime routes.

1.2.2 Contractual Obligations for Tonnage

Tonnage contracts are formed under general principles of contract law, which provide the legal foundation for their validity. In fact, they reflect the agreement of the parties on key points such as freight rates, payment schedules, and liability rules. Each clause is negotiated to reflect the practical needs of the shipping arrangement and to ensure a balance of obligations and benefits.

The principal elements of a tonnage contract's legal foundation are as follows:

Offering and Accepting:

When one party — often the carrier — puts forward terms like tonnage rates, proposed routes, and service details, that is considered an offer.(1) It is the first step toward forming a contract. If the other party, usually the shipper, agrees to those terms as they are — or after some negotiation — then acceptance happens. That is what creates a binding agreement between them.(2)

For a contract to be legally binding there must be each party giving something of value to the other(3). This is referred to as a consideration(4). In tonnage agreements, this will generally be: the shipper provides the goods to transport; whereas the carrier undertakes

(1) Treitel, G.H., The Law of Contract, 15th Ed, Sweet & Maxwell, 2020, p. 15–16: Explains the definition of an offer, and distinguishes it from preliminary negotiations.
(2) Poole, J., and Textbook on Contract Law, 14th Ed, Oxford University Press, 2022, p. 48: Discusses acceptance, counter-offers, and how consensus is legally formed.
Kendrick, E., Contract Law: Text, Cases, and Materials, 10th Ed, Oxford University Press, 2022, p. 118. Covers the concept of consideration and its role in supporting contractual intent.
(3) Edwin Peel, in Treitel on the Law of Contract, 15th ed., Sweet & Maxwell, 2020, explains that consideration may consist of a benefit to one party or a corresponding detriment to the other p. 86.
(4) Sir Bernard Eder, in Scruton on Charter parties and Bills of Lading, 24th ed., Sweet & Maxwell, 2020, discusses how tonnage agreements embody this principle by creating mutual obligations: the shipper provides goods for carriage, and the carrier undertakes delivery in exchange for freight, see p. 36.

to have such goods delivered in accordance with the terms and freight rate previously agreed upon.(1)

However, a valid agreement is about more than just signatures. Both parties need to understand and accept the terms clearly. That usually involves a period of discussion to make sure there is mutual agreement — not just on the basics, but on the detailed responsibilities, each side is taking on.(2)

When two sides arrange for shipping or vessel use, it needs to be real — like, both parties need to show they want it to be legally binding. This means they are not just casually agreeing — they making a commitment. If something goes wrong, each one accepts that there could be legal consequences.(3)

However, having that intention is not enough on its own. There are also laws involved. These kinds of agreements have to follow rules — and not just one set. Depending on the case, there might be maritime laws, trade regulations, safety codes, and maybe environmental requirements too. It all depends on what is being shipped and where. If those are not respected, the agreement could be at risk.(4)

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(1) Susan Hodges explains in The Law of Carriage of Goods by Sea, 4th Ed., 2020, p. 102. The carrier's duty to perform the voyage and the shipper's duty to pay freight form the core reciprocal obligations that render such agreements legally binding.

(2) Stone, R. and Devenney, J., The Modern Law of Contract, 14th edn, Routledge, 2021, pp. 38: Explains mutual agreement and "meeting of the minds" as an essential requirement.

(3) UNIDROIT Principles of International Commercial Contracts (2016), Article 1.1 – "Freedom of Contract": "The parties are free to enter into a contract and to determine its content."

This principle underscores the necessity of mutual intent to create binding agreements. Source: UNIDROIT Principles 2016, p. 5.

(4) United Nations Convention on the Law of the Sea (UNCLOS), Part VII – High Seas establishes the legal framework for maritime activities, including freedom of navigation and obligations of states. https://www.un.org/depts/los/convention_agreements/texts/unclos/part7.

- International Convention for the Prevention of Pollution from Ships (MARPOL)

There is also the question of time. Every agreement should indicate when it starts and ends. In addition, it should explain what happens if someone wants to end it early. Like, what if one party does not do what they promised? Alternatively, if they both agree to call it off? Just to avoid confusion later on.(1)

Another thing that comes up is the issue of which country's laws apply. When people in different places are involved, they must agree which law controls the deal and where any legal problem would be handled.(2)

All these points — showing intention, following the right laws, setting clear dates, and naming the legal system — help make the deal solid. The exact words might be different depending on the people or countries involved, but these basic ideas usually show up every time.

A tonnage contract's legal framework is made up of all these elements. The precise wording and clauses may differ depending on the preferences of the parties, business customs, and legal specifications of the relevant jurisdictions.

The primary international convention aimed at preventing marine pollution by ships from operational or accidental causes:
https://www.imo.org/en/KnowledgeCentre/ConferencesMeetings/pages/Marpol.

(1) Rotterdam Rules (2008), Article 12 – "Period of Responsibility "Define the time frame during
which the carrier is responsible for the goods, emphasizing the importance of specifying the duration in contracts. https://www.beneschlaw.com/a/web/425/InterConnect_Spring2011.

(2) Hague-Visby Rules, Article 10 – "Application of the Rules"; specifies the conditions under
Specifies which the rules apply, including the necessity for clarity on governing law.
Hague-Visby Rules. https://www.dutchcivillaw.com/legislation/haguevisbyrules.htm.date of visit: 5-7-2025.
Rotterdam Rules (2008), Article 74 – "Application of Chapter 14"; addresses the jurisdictional aspects and the importance of specifying applicable law in contracts.
Rotterdam Rules Text, p. 75.
https://uncitral.un.org/sites/uncitral.un.org/files/mediadocuments/uncitral/en/rotterdam-rules.Date of visit: 5-7-2025.

1.2.3 Relationship to Other Contractual Elements

The principles of contract law, which include components like, offer, acceptance, consideration, and mutual intent, form the basis of this agreement's legality. Additionally, tonnage agreements are closely related to the more general framework of international maritime law and business norms, which direct the parties' discussions and execution. The demurrage, lay time, payment, delivery, and redelivery conditions, as well as the liability provisions of the tonnage contract, all interact with one another to shape the operational and legal components of the agreement. What ultimately matters is how these interconnected terms hold together in real-world application—because that is where enforceability is truly tested.

2. Analyzing the Tonnage Contract: Benefits, Challenges, and Evolution

Tonnage contracts play a central role in maritime trade, offering both opportunities and complexities to carriers, shippers, and legal frameworks alike. This section delves into a detailed examination of its advantages, drawbacks, and the evolving landscape that shapes its application and it explores how the tonnage contract benefits carriers and shippers, identifies potential obstacles, and discusses strategies for effectively balancing risks with rewards. Furthermore, it compares the modern tonnage contract with earlier conventions in maritime law, tracing its evolution, highlighting distinctions, and analyzing innovations introduced by significant frameworks like the Rotterdam Rules. Through this analysis, we gain insight into the dynamic evolution of contractual practices in maritime trade.

2.1. Benefits and Drawbacks of the tonnage contract

2.1.1. Benefits Carriers and Shippers

Carriers tend a certain reliability to value in tonnage contracts. Not every agreement in maritime transport guarantees a fixed volume, so having that predictability on paper can really change how planning is approached. Fleet assignments become more focused, and the numbers—especially projected revenue—tend to settle into clearer patterns.(1)

It is not financial planning, though. With agreed, regular routes, the issue of empty return trips becomes less frequent. That cuts down on unnecessary fuel use, which is not just about cost—it also extends equipment life and helps with compliance on emissions.

Then, when the same parties work together over time, communication improves. Problems are addressed faster. Trust builds, which eventually reduces the time and effort spent chasing down new clients or renegotiating short-term deals. That kind of consistency can be just as valuable as the numbers on the contract itself.(2)

Additionally, carriers can streamline operations by matching the stable demand specified in the contracts with their fleet and workforce, improving overall operational efficiency through simplified processes, improved load planning, and resource usage.

(1) David Foxton, Steven Berry, Christopher Smith, Howard Bennett, and David Walsh, Scruton on Charter parties and Bills of Lading, 24th ed, Sweet & Maxwell 2020, p. 40, Yvonne Baatz ed., Maritime Law, 5th Ed, Informa Law from Routledge 2020, p. 94. Michael Bundock, Shipping Law Handbook, sixth Ed, Informa Law from Routledge 2019, p. 5.

(2) Bernard Eder and others, Scruton on Charter parties and Bills of Lading, 24th ed, Sweet & Maxwell 2020, p:40–44, Hugh Beale, Chitty on Contracts, 34th ed, Sweet & Maxwell 2021, vol 1, paras 1-036, Lars Gorton and others, Shipbroking and Chartering Practice, 8th ed, Informa Law from Routledge 2014, ch 3.p:34.

2.1.2. Potential Drawbacks and Obstacles

The category of disadvantageous tonnage agreements falls for the shipper. In businesses where demand undergoes periods of volatility, the commitment to a certain volume of shipment can be inflexible and might induce delays in reacting to market changes or demand changes. Moreover, such agreements can bind shippers to fixed prices, leading to overpaying in times when prices plunge in the market.(1)

If contracted carriers experience operational difficulties, service outages, or quality problems, it could undermine the shipper's supply chain integrity and customer happiness.

If contracted carriers face operational difficulties such as service outages or quality issues, the shippers' supply chain integrity might be compromised, so would customer satisfaction.

Tonnage contracts have pros and cons depending on being on the side of a carrier or a shipper. For a carrier, the advantages are stable revenue, less idle mileage, and operational efficiency; disadvantages could be rigidity and market dependence.(2)

While shippers do enjoy advantages of many kinds- capacity assurance, cost reduction, logistics control, risk mitigation- they face restrictions on price flexibility. Both parties must therefore assess their needs, market situation, and long-term objectives before entering into any tonnage contracts. This is true of any contractual agreement.(3)

(1) Hillman, Robert A. Principles of Contract Law. West Academic Publishing, 2023 https://www.westacademic.com/Hillmans-Principles-of-Contract-Law-5th-Concise-Hornbook-Series-9781685617189.Date of visit: 27/6/2024.

(2) David Glass, Freight Forwarding and Multi Modal Transport Contracts, Maritime and Transport Law Librar, Informa Law from Routledge, 2nd Edition, 2012, p: 18.

(3) Stone, Richard, and James Devenney. The Modern Law of Contract. Paperback, Hardback,. Routledge, 2022. P: 430.

2.1.3. Balancing Risks and Benefits

In transport and logistics, there is always this back-and-forth between legal risks and business opportunities. Carriers who handle the physical side of things can do quite well if there is regular demand and steady cargo, it means better revenue and smoother planning. That is usually the case when supply lines are stable.

They also have reach. Their networks cover wide regions, which makes deliveries faster and more reliable. From a legal view, that kind of service consistency builds client trust

However, it's not all benefit. Both carriers and shippers face problems — rising fuel costs, new rules they have to comply with, supply chain delays that might mess up obligations. Each one brings legal implications. Who is responsible? What happens if there is a delay? That is why a solid working relationship matters. If they both work through these challenges — not just on paper, but in how they split responsibility and handle risk — they can avoid conflict. It is that balance, really, between the practical and the legal, that keeps things moving in the right direction.(1)

(1) -Thomas J. Schoenbaum, Admiralty and Maritime Law, 6th ed., West Academic Publishing, 2021. This comprehensive text covers carrier obligations, liabilities, and shipper-carrier relationships under U.S. and international maritime law. See: Chapter 8 – "The Carriage of Goods by Sea," especially p. 587.

-Rhidian Thomas, the Evolving Law and Practice of Voyage Charterparties, Informa Law, 2017.

Discusses legal frameworks for risk sharing in charter party and tonnage contracts, including liability clauses and commercial balancing.See: Chapters 3 & 5.

-United Nations Conference on Trade and Development (UNCTAD), Review of Maritime Transport 2023. Includes discussion of legal and operational implications of fuel pricing, shipping emissions regulation and port disruption. See: Chapters 1 & 4.

2.2. A Comparison with Prior Conventions

2.2.1. Tonnage Contracts in Maritime Law: Evolution

Tonnage contracts changed how maritime agreements work. Before, most shipping deals focused on general things — like cargo, the trip, and how the vessel was used. However, details about how weight or space was measured and how that affected pricing were often missing.

Things have changed. Now with these tonnage-based contracts, there is a clearer way to deal with things like the size of a vessel, how much it can carry, and how that influences costs. It is a lot more straightforward, which is good for everyone involved. It really helps clear things up—not just in practice, but also when it comes to legal stuff.

The did not just happen randomly. People in the industry started realizing that without clear terms about space and weight, there were many risks. Like, who is responsible if the load is miscalculated? What happens when capacity is misunderstood? So these contracts help avoid those problems.(1)

In a way, tonnage contracts bring more structure. They reflect how the business side of shipping needs to match with the legal side — and that is rather why they matter now more than ever.

2.2.2. Distinguishes from Earlier Conventions

The evolution of tonnage contracts has introduced a new kind of legal thinking into maritime law, one that earlier conventions like the

(1) Malcolm A Clarke, The Hague and Hague-Visby Rules, Informa Law 2013, 4. Thomas J Schoenbaum, Admiralty and Maritime Law, 6th Ed, West Academic 2021, p: 613. Christopher S Tang and Man Mohan S Sodhi, 'Managing Risks in Supply Chains', 2006, p: 103 Int J Prod Econ p: 451. Rhidian Thomas, The Evolving Law and Practice of Voyage Charter parties, Informa Law 2017, ch 2.p.65.

Hamburg Rules of 1978 or the Brussels Convention of 1924 did not really explore in depth. The Brussels Convention, for example, was mostly about setting shared standards for bills of lading — like how goods are delivered, what carriers are liable for, and the overall structure of shipping documentation. It made parts of international shipping more predictable, but it did not go very far in addressing vessel-specific capacity or tonnage details.(1)

Tonnage contracts come in with a more focused aim. They give ship-owners and charterers a way to clearly define how much space is available, how it is measured, and what terms apply to that capacity. This means both sides have better tools to negotiate and plan vessel use. In contrast to the broader language of the Brussels and Hamburg conventions, tonnage contracts narrow in on the actual structure and limits of the vessel, making the whole process of managing space and freight more transparent.(2)

The Hamburg Rules also attempted to update maritime law. They insisted on a more explicit balance of rights and obligations between shippers and the carriers serving them, particularly when cargo is lost, damaged or delayed. But, again, like the Brussels Convention, they were mostly about the shipment of goods and did not delve deeply enough into the particulars of vessel measurements or he number crunching of freight calculations connected to tonnage.(3)

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(1) Malcolm Alistair Clarke, History of the Brussels Convention, Springer, Dordrecht, 1976, p. 3.

(2) Thomas J. Schoenbaum, Admiralty and Maritime Law, West Academic Publishing, 2021. Schoenbaum discusses vessel chartering, tonnage regulation, and the legal structure around capacity-related maritime issues. This source gives strong doctrinal support for the legal function of tonnage contracts. https://www.alibris.com/search/books/isbn/9780314149046. Date visited 18/05/2024.

(3) Malcolm A. Clarke, The Hague and Hague-Visby Rules, Informa Law from Routledge, 2013, p. 4. While the title focuses on the Hague Rules, Clarke also compares these

Therefore, while both prior conventions helped to shape the legal framework for maritime shipping, there was not the same high level of specificity regarding how to interpret and enforce it as there is now in tonnage contracts. These newer agreements fill that gap by focusing on vessel size, usage terms, and the financial elements tied to capacity — areas that the older rules mostly left out.

2.2.3. The Rotterdam Rules Introduced Innovations

Compared to previous conventions, the Rotterdam rules constitute significant progress. United Nations Commission on International Trade Law (UNCITRAL) that, in adopting the rules in 2009, sought to modernize and streamline the legal framework for the transportation of goods by sea. The Rotterdam Rule adjusting the liability for the duration of the carrier, from receiving up to delivering the goods, was one of their most significant changes. This was a difference from previous practices, which more often focused on specific sections of the route. Acknowledging the changes in digital technology in shipping, the Rotterdam Rules also standardize the use of electronic documentation and communication. Apart from the obvious reduction in paperwork, this also improved record keeping and communication between the plethora of parties involved in shipping.(1)

The Rotterdam Rules were a notable departure from earlier conventions since they addressed concerns with multimodal

conventions with Hamburg, noting the shift toward carrier liability and away from vessel-focused regulation.

(1) Sturley, Michael F., Tomotaka Fujita, and Gertjan van der Ziel. The Rotterdam Rules: The UN Convention on Contracts for the International Carriage of Goods Wholly or Partly by Sea. Sweet & Maxwell, 2010, p: 89; Magklasi, Ioanna. The Rotterdam Rules and International Trade Law. Routledge, 2018, p: 109.

transportation and door-to-door delivery. This showed that they were a progressive response to the growing complexity of contemporary global trade.

Conclusion

Tonnage agreements, while commonplace in shipping, remain remarkably sensitive to real-world variables. In theory, they serve a clear purpose: organizing the shipment of goods in bulk. In practice, the situation is less tidy. Demand does not always stay where projections said it would. Weather events do not wait for contracts to expire. These realities push against the rigid terms often built into such agreements.

Contractual language often becomes a source of contention, clauses that seem straightforward—covering deadlines, product standards, or pricing terms—may leave room for interpretation if not precisely drafted. It is rarely a major breach that initiates a dispute; more often, it begins with a single sentence that can reasonably be read in more than one way. In such cases, ambiguity opens the door to conflict that might otherwise have been avoided.

Then, Moving commodities at this scale does not happen in isolation. Terminals, warehouses, transport fleets—none of it is cheap, and all of it must be coordinated. With environmental rules tightening, the costs increase. Compliance is not optional anymore. Cleaner fuel, emission controls—these demands keep evolving.

Some companies are trying new tools. Smart contracts, for instance, are becoming more visible in freight. They automate certain triggers—release of funds, confirmation of delivery—which can reduce delays

and arguments. Still, technology does not erase the need for legal clarity. A flawed clause, even in code, stays flawed.

Diversification is another development. Relying on one supplier, one port, one fuel—this is seen as too risky now. Price volatility and regulatory shifts have led to broader sourcing and new logistics models. Electrification, biofuels—these are no longer fringe ideas.

Cooperation between parties appears to matter more than ever. When carriers, suppliers, and consignees maintain real communication, problems tend to be addressed before they escalate. Not always, but often enough to be worth noting. A contract, no matter how well written, performs better when those involved act in alignment.

From a legal standpoint, tonnage contracts carry weight. They allocate risk and clarify duties. Many are drafted with reference to frameworks such as MARPOL or UNCLOS. Arbitration is frequently included as a preferred path over litigation, especially in cross-border trade.

This study showed that, when set against the Hague–Visby and Hamburg Rules, the Rotterdam Rules present a broader and more modern framework for regulating tonnage contracts. They succeed in closing many of the gaps left by earlier conventions, particularly in relation to liability, multimodal carriage, and the use of electronic transport documents. Yet, the Rotterdam Rules are not free of shortcomings. Certain provisions remain ambiguous, and their overall effectiveness is weakened by the fact that only a limited number of states have ratified them.

In lebanon where the Hague–Visby and Hamburg Rules continue to govern, reliance on these Older frameworks has created a visible gap

with current international practice and raises doubts about the country's readiness to adapt to ongoing shifts in global maritime trade.

In conclusion, while the Rotterdam Rules may not provide a flawless solution, they mark a significant step toward greater legal uniformity. Their adoption has the potential to reduce disputes, enhance predictability, and strike a fairer balance of rights and obligations in tonnage contracts—offering both theoretical insight for academic debate and practical value for the development of maritime law at both the international and Lebanese levels.