



Demurrage Liquidates All

Demurrage liquidates all damages suffered by owners as a result of charterers' failure to complete cargo operations within laytime – for now at least. [Neil Jackson](#) provides the details.

When a charterer fails to complete cargo operations within the allowed laytime, the owners will be entitled to liquidated damages in the form of demurrage to compensate them for the loss of the use of their vessel. But are the owners entitled to claim other types of loss that also arise as a result of the same delay, in addition to demurrage? This is a question that has divided academic commentators and until recently, there was no binding authority.

In *The Eternal Bliss* [2022] 1 Lloyd's Rep 22 the Court of Appeal held that demurrage covers all of the owners' losses arising as a result of the delay to cargo operations. The owners were not entitled to recover losses in the form of a liability incurred to the cargo receivers as a result of the cargo having deteriorated during the delay at the discharge port. In order to be entitled to claim other types of loss, the owners would have to be able to establish a separate breach of charterparty other than the failure to load or discharge within the allowed laytime.

An appeal by the owners was due to be heard by the Supreme Court in June 2023. However, it has recently been announced that the parties have settled the dispute, so the appeal will not proceed. Accordingly, the law remains as set out in the Court of Appeal's judgment, unless and until the issue comes before the Courts again in another case.

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