

GENERAL AVERAGE OR AVERAGE

The lien on cargo for general average charges can be exercised only by the shipowner in possession of the goods and, where necessary, it is his duty to other cargo owners to protect their interests by retaining possession of any goods in respect of which a contribution in general average is outstanding. However, owing to the difficulty of assessing the amount of such contributions and the time required for general average adjustment, it is not usual for shipowners to avail themselves of the right of lien in these circumstances. The customary procedure is for the goods to be delivered in exchange for the security afforded by a general average bond, a general average deposit, or both.

Section 4 (1) (q) of the Admiralty Act (2017) deals with the above subject claim on average or general average.

York Antwerp Rules of 1974 established the standard basis for adjusting general average and stated the rules for adjusting claims.

In order to constitute a general average the sacrifice or expenditure made or incurred and in respect of which contribution in general average is sought must have been extraordinary; have been made intentionally or voluntarily; in time of peril; for the common adventure; have been reasonable.

There is no maritime lien in respect of a claim for general average. However, at common law, a shipowner has a possessory lien over the cargo for cargo owners proportion of general average which is enforceable against the consignee of the cargo even though the consignee is under no personal liability to contribute in general average, not being the owner of the cargo when the general average act occurred.