

Shipping Casualties – The Year So Far...

As we reach the mid-point of 2022, we take this opportunity to look back on the shipping casualties that have arisen over the past six months, with particular focus on Lloyd's Open Form salvage and General Average cases of note. In general terms, the first half of this year has been a little quieter than the previous six months of July to the end of December 2021. 2021 was a particularly busy year for shipping casualties with the EVER GIVEN being the first of a number of high profile containership casualties to include the INTERASIA CATALYST, NYK DELPHINUS, X-PRESS PEARL, KENT TRADER, ZIM KINGSTON and the ARCHIMIDIS to name just a few.

Lloyds Open Form Salvage – 2022

The year started quietly in respect of Lloyd's Open Form salvage cases with no cases reported in January at all, which is certainly surprising for the time of year in question. As a comparison, in January of 2021 some five Lloyd's Open Form (LOF) salvage contracts were agreed and signed.

However, in the month of February this year there were a total of nine LOF salvage contracts agreed and signed for a variety of vessels ranging from fishing boats to product tankers to vehicle carriers. One of the most high profile cases of February, and possibly this year, was the FELICITY ACE. The FELICITY ACE was a vehicle carrier that had loaded a full cargo of new vehicles, to include a number of prestigious vehicles, in Germany destined for discharge in Massachusetts, USA. Whilst proceeding on the voyage, on the 16th February 2022 a distress call was issued that a fire had erupted in one of the cargo decks. The Owners of the FELICITY ACE immediately engaged professional salvors to render assistance under LOF. However, the fire spread the entire length of the vessel and despite best efforts of the salvors, on the 1st March 2022 the FELICITY ACE sank some 220 nautical miles off the coast of the Azores resulting in a total loss of ship and cargo. It has been estimated that the total value of the vehicles onboard the FELICITY ACE at the time of the loss was in the region of USD 255 million.



March this year saw some four LOF salvage contracts agreed and signed which, curiously, was exactly the same number as March 2021. The standout casualty of March was the TINA IV. The TINA IV is a bulk carrier that ran aground whilst departing the port of Balikpapan, Indonesia. Despite efforts to re-float the vessel the Owners had to engage Tsaviris Salvage to provide salvage services under the terms of LOF and she was eventually re-floated, redelivered to her Owners and proceeded on her original intended voyage.

The month of April was reasonably quiet on the LOF front with just three LOF contracts agreed and signed. As a comparison, in the same month in 2021 there were some six LOF contracts signed. One of the stand out LOF cases in April was the MAGIC SEAS. The MAGIC SEAS is a bulk carrier which experienced a loss of her rudder some 170 nautical miles off the coast of Bermuda on the 19th April 2022. As a result of this potentially catastrophic loss of steering equipment, the Owners engaged professional salvors to render assistance under LOF and arranged for the vessel to be taken in tow to the port of refuge.

There were no reported LOF contracts agreed and signed during the month of May compared to one LOF case in May of 2021, being the X-PRESS PEARL which suffered a substantial fire off Sri Lanka which eventually consumed the entire ship and cargo.

June has also been a relatively quiet month for LOF contracts with just two LOF salvage contracts agreed and signed. One of these was the ENDEAVOUR which is a bulk carrier that ran aground of Isla Los Mono, Venezuela. LOF was signed on the 24th June 2022 and salvage services were rendered to the ENDEAVOUR by Megatugs Salvage & Towage SA.

In summary, there were some eighteen LOF salvage contracts in the first six months of 2022 and as a coincidence there were exactly the same number of LOF contracts in the same time period in 2021. The second half of 2021 saw some nineteen LOF salvage contracts. It will certainly be interesting to see how the second half of 2022 develops insofar as LOF cases are concerned and if last year is anything to go by, there are likely to be more LOF salvage contracts from now until the end of the year.



General Average – The EVER FORWARD

There have been a reasonable number of General Average declarations during the course of 2022 and the number of reported General Average cases to date is on a par with the same period of time last year.

A handful of stand-out casualties have arisen this year. These include the MARINTRUST 01 which capsized at the port of Kolkata, India during cargo loading operations. As a result of her capsizing, the Owners of the MARINTRUST 01 declared General Average in order to recover costs incurred to ensure the safety of the common maritime adventure. There was also the HAIAN CITY which is a containership that was involved in a collision with the ORION EXPRESS shortly after departure from the port of Chattogram. As a result, the HAIAN CITY returned to Chattogram having suffered water ingress. A number of containers and cargo were damaged and the Owners of the HAIAN CITY declared General Average and appointed GA Adjusters in Singapore to collect GA security.

However, the case of the year so far has to be the EVER FORWARD. The fully cellular containership EVER FORWARD had discharged, and loaded, cargo at the port of Baltimore when on the 14th March 2022 she ran hard aground of the coast of Gibson Island in Chesapeake Bay. Thereafter, a number of attempts to re-float the vessel were made but to no avail. It became apparent that a lightering operation would have to be undertaken in order to try and re-float the vessel. The Owners of the EVER FORWARD declared General Average on the 31st March 2022 and, having discharged some 550 sea containers and cargo the EVER FORWARD was successfully re-floated on the 17th April 2022. Interestingly, and possibly not due to coincidence, the Owners of the EVER FORWARD declared General Average exactly one year to the day after the same Owners declared General Average for the EVER GIVEN that was aground in the Suez Canal. This is possibly a first in the history of shipping!

We trust the foregoing proved to be of interest to you. If you have any questions on any of these casualties, or any other casualties, please do feel free to contact us.

