

Shipping Casualties – The Year So Far...

As we enter the second half of 2023, we take this opportunity to look back on the shipping casualties which arose in the first half of this year with a particular focus on Lloyd's Open Form (LOF) salvage contracts and General Average declarations.

As you may recall from our previous review of the latter half of 2022, last year ended with a spike in Lloyd's Open Form salvage cases and General Average declarations.

The first six months of 2023 saw some nine Lloyd's Open Form contracts agreed and signed, this is compared to thirteen Lloyd's Open Form contracts in the first half of 2022 and some ten in the second half of 2022.

Lloyds Open Form Salvage – January to March 2023

The first quarter of 2023 saw six LOF salvage contracts agreed and signed and this represented a fall from the eight reported cases seen in the fourth quarter of 2022. However, if we exclude yachts, fishing vessels, and supply vessels, the total figure would stand at four LOF's for the fourth quarter of 2022 and six LOF's for quarter one of this year.

2023 started with three LOF contracts in January; the fully cellular containership CMA CGM BARRACUDA, the bulk carrier ASPEN, and the product tanker TORM SINGE. During the course of February, there were two LOF contracts agreed and signed namely the bulk carrier ABILITY and the fully cellular containership the ESCAPE. March saw one further LOF contract, being the combined chemical and oil tanker GRETA K.

January was a particularly busy month for LOF contracts, which matches historic trends surrounding winter in the northern hemisphere. The CMA CGM BARRACUDA was a particular standout contract signed during the month:

The fully cellular containership CMA CGM BARRACUDA suffered a rudder failure which caused the vessel to run aground off Hansweert, the Netherlands on 13th January 2023. She was unable to refloat herself under her own power.

At the time of the incident, the CMA CGM BARRACUDA was proceeding on a fully laden voyage from Antwerp, Belgium to Hamburg, Germany.



Multtraship Salvage BV and URS Nederland BV were engaged as salvors under a Lloyd's Open Form contract. A dozen tugboats provided assistance to refloat the vessel, and once refloated the vessel was guided by a tug to an anchorage so that underwater repair works could take place. After these salvage operations, the vessel was able to continue her voyage to Hamburg, Germany.

The month of February saw two LOF salvage contracts of note. The salvage of the ESCAPE is a particular standout of the two.

The fully cellular containership ESCAPE experienced a fire in her engine room which spread to her superstructure on the 22nd January 2023, whilst navigating the Baltic Sea. The crew were unable to extinguish the fire before they were evacuated from the vessel.

At the time of the incident, the ESCAPE was proceeding on a fully laden voyage from Klaipeda, Lithuania to Riga, Latvia.

Firefighting work was carried out by a third party, and the fire extinguished. Alfons Hakans Oy Ab was engaged as salvor under a Lloyd's Open Form contract to attach a tow line, and the vessel was subsequently taken under tow to Riga, Latvia.

The month of March was reasonably quiet on the LOF front. Only one LOF contract was agreed and signed. A fall in salvage cases in March is generally consistent with normal seasonal trends. The GRETA K was the only LOF contract agreed and signed in March.

The combined chemical and oil tanker GRETA K suffered a fire that was reported to be at the stern of the vessel, likely to be in the engine room, on 21st March 2023, whilst off the coast of Porto, Portugal.

Resolve Marine Group was engaged as salvor under a Lloyd's Open Form contract. Approximately five tugs were deployed to move the vessel away from the shore and to fight the fire, which was extinguished. The vessel was later towed to the Port of Leixoes, Portugal for repairs and to transfer cargo.

These figures represent a fall in casualties when compared to the figures from the first quarter of 2022. In the first quarter of 2022, there were eight LOF contracts agreed and signed, however if we exclude the two of these that were fishing vessels, there is clear parity.



It is worth noting that LOF contracts for quarter one of 2023 were spread across January, February, and March. January was the busiest month and March the quietest. This is in contrast to the first quarter of 2022, where there were no Lloyd's Open Form contracts in January, some seven in February (including 2 fishing vessels) and one in March.

Insofar as the nature of LOF casualties are concerned, there were two fires/explosions, two groundings, one water ingress incident, and one propulsion failure. There was thus no standout cause of incidents during the first quarter of 2023.

Lloyds Open Form Salvage – April to June 2023

The second quarter of 2023 saw three LOF salvage contracts agreed and signed. This represented a fall from the four LOF contracts we saw in the second quarter of 2022. If we exclude fishing vessels, that fall is more dramatic, with two cases in the second quarter of 2023 compared to four in the second quarter of 2022.

This in addition represents a significant fall on quarter one figures previously discussed. However, it should be noted that this matches normal seasonal trends – with more casualties around the northern hemisphere winter.

There were no reported LOF salvage contracts in April or June, which is highly unusual. However, there were three LOF contracts agreed and signed in May. Of those, the SHILING which is detailed below is of particular note:

The fully cellular containership SHILING experienced an engine failure on 12th May 2023 off the coast of New Zealand, having just departed the port of Wellington. She in addition developed a significant list and also suffered a steering gear failure.

At the time of the incident, the SHILING was proceeding on a laden voyage from Wellington, New Zealand after receiving repair work.

DDW Offshore was engaged as salvor under a Lloyd's Open Form contract. Several tugs were dispatched to stabilise the vessel and to tow her to port for repair works.

Of the three LOF contracts during the second quarter of 2023, there were two groundings and one machinery failure. If we discount fishing vessels, there was one grounding and one machinery failure.



General Average – January to July 2023

As with the second half of last year, there have been a number of General Average declarations during the first half of 2023 with several standout cases that are worth mentioning.

The first major casualty leading to a General Average declaration of the year came in January 2023 with the AEGIR SELMER. The bulk carrier suffered a main engine breakdown whilst proceeding on a laden voyage from Okke, Korea to South American discharge ports. As a result, she was forced to divert to Honolulu in order to undergo repairs and Owners declared General Average.

In March, the NUR ZEYNEP suffered a main engine breakdown whilst proceeding on a laden voyage to African discharge ports. As a result, Owners declared General Average and arranged salvage tugs to tow her to Dakar as a port of refuge.

The NORDIC ANNA suffered a fire in her engine room whilst berthed at port on 30th April. Approximately three firefighting tugs were deployed to assist efforts to extinguish the fire, alongside resources from local fire brigades. The fire was fully extinguished on 1 May, and owners subsequently declared General Average.

In June, the THOR INDEPENDENCE lost her portside anchor in the Amazon river and required assistance to retrieve her starboard anchor. Due to local regulations she had to be assisted throughout the length of the waterway by an anchor handling tug. Owners subsequently declared General Average. At the time of the incident, she was proceeding on a fully laden voyage to European discharge ports.

Also in June, the NEMRUT BAY suffered grounding. The Japanese bulk carrier grounded 10 miles from the La Gu estuary in Vietnam on 19th June, carrying 25,510 tonnes of steel. After initial refloating attempts proved unsuccessful, tugs and another cargo vessel were used to lighten the NEMRUT BAY in a four-day operation that utilised at least four tugs and a cargo ship before she was refloated. Given bunkers present onboard, pollution booms were placed around the vessel as a precaution. Owners subsequently declared General Average.

In summary, the first half of 2023 may have lacked the prominent cases that we saw in 2022 and 2021, however the volume of General Average declarations has not significantly fallen. Fire risks have remained, accounting for a significant number of General Average declarations, but machinery failure also accounts for significant numbers of General Average declarations.



We trust that our shipping casualty update has proved to be of interest to you. If you have any questions on any of these casualties, or any other casualties, please feel free to contact us