

With 2022 having drawn to a close we now take this opportunity to provide an overview of the shipping casualties which arose in the latter half of 2022, focusing in particular on Lloyd's Open Form salvage cases and General Average declarations. As you may recall from our previous review of the first half of 2022, the year started relatively quietly compared to the latter half of 2021, which was an exceptionally busy time for high profile marine casualties. The standout Lloyd's Open Form salvage case in the first few months of 2022 was the FELICITY ACE, the car carrier which suffered a serious and significant fire whilst crossing the Atlantic. In respect of General Average cases we had the grounding of the EVER FORWARD in Chesapeake Bay. Interestingly, the Owners of the EVER FORWARD declared General Average exactly one year to the day after the declaration of General Average on her sister ship the EVER GIVEN, which famously ran aground in the Suez Canal.

Lloyds Open Form Salvage – July to December 2022

2022 started relatively slowly for new Lloyd's Open Form contracts and this really was how the second half of the year started as well. During the course of July there were no reported Lloyd's Open Form contracts signed. In August there were two Lloyd's Open Form contracts signed and the standout one was the VITAHORIZON.

The VITAHORIZON is a bulk carrier that ran aground off Indonesia on the 8th August 2022. At the time of the grounding the VITAHORIZON was laden with some 71,000MT of coal.

Salvage services were rendered to the VITAHORIZON by T&T Salvage and she was eventually successfully re-floated.

September was a similarly quiet month for Lloyd's Open Form contracts. The HELGE is a general cargo vessel that was involved in a collision with the WILD COSMOS off the coast of Jutland, Netherlands on the 9th September 2022. As a result, salvage services were rendered by Smit Salvage to the HELGE and she was taken in tow to Esbjerg where she was re-delivered to her Owners.

The month of October was a reasonably busy month on the Lloyd's Open Form front. There were four Lloyd's Open Form contracts agreed and signed during the course of October. The standout case was the TSS PEARL. The TSS PEARL was a fully cellular containership that was proceeding on a fully laden voyage when she suffered a major fire on board whilst navigating the Red Sea on the 5th October 2022. The fire erupted in the cargo hold and it quickly became evident that the fire was significant and posed a real threat to the vessel, her cargo and crew. As a result of the fire, the Owners had to engage Smit Salvage to render salvage assistance under the provisions of Lloyd's Open Form salvage agreement. However, events conspired against the TSS PEARL and on the 13th October the TSS PEARL sank whilst some 300 nautical miles south east of Port Sudan resulting in the loss of ship and cargo.

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Interestingly, there were no reported Lloyd's Open Form cases during the month of November, which is traditionally a busy month for shipping casualties. There were only two reported Lloyd's Open Form cases in December 2022. The ONEGO TRAVELLER was a general cargo vessel which started to take on water off Great Abaco Island in the Bahamas on the 27th December 2022. As a result, the Owners of the ONEGO TRAVELLER engaged Resolve Marine to render salvage assistance under Lloyd's Open Form. The ONEGO TRAVELLER eventually sank in shallow waters but the salvors were retained in order to try and salvage some of the cargo and the superstructure of the vessel.

In summary, there were some sixteen Lloyd's Open Form salvage contracts agreed and signed during the second half of 2022. This is compared with the eighteen Lloyd's Open Form salvage contracts agreed and signed during the first half of the year. Therefore, the second half of the year was on a par with the first half of the year for Lloyd's Open Form salvage contracts.

Overall, the year on the whole was a reasonably busy one, with thirty four Lloyd's Open Form cases reported, compared to the twenty nine reported cases during the course of 2021.

Insofar as the nature of Lloyd's Open Form casualties is concerned, there is no real stand out cause arising to salvage services being rendered under Lloyd's Open Form. Of the thirty four cases reported in 2022, some twelve arose as a result of breakdown and/or mechanical failure. Coming in a close second are fires arising necessitating salvage services under Lloyd's Open Form, with eleven reported cases. Just behind fire cases there were some nine groundings for which salvors were called to render assistance. Finally, there were just two collision cases reported wherein salvors assisted under Lloyd's Open Form. Whilst it is difficult to draw any specific trends it is clear that mechanical failures, fires and groundings are by far the most common casualties for which salvage services are required under Lloyd's Open Form. We watch with much interest as to how 2023 will compare to 2022 in this respect.

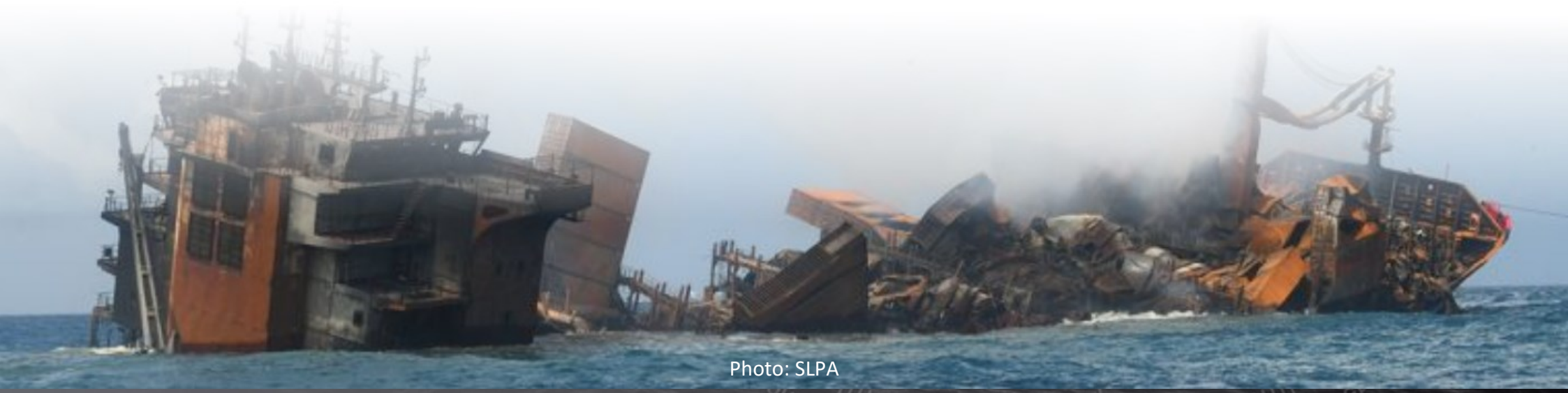


Photo: SLPA

General Average – July to December 2022

As with the first half of the year, there have been a number of General Average declarations during the second half of 2022 with a number of standout cases that are worth mentioning.

The first half of 2022 had the EVER FORWARD and the second half had the ZIM CHARLESTON. The ZIM CHARLESTON is a fully cellular containership that suffered a significant fire in cargo hold number four whilst navigating off Colombo, on the 8th August 2022. The ZIM CHARLESTON had just departed Colombo at the time of the fire and was proceeding on a voyage to various Indian discharge ports. As the fire took hold, it was decided to return to Colombo as a port of refuge. The ZIM CHARLESTON returned safely to Colombo where it was decided that some three hundred containers of cargo, affected by the fire and smoke and extinguishing water, would have to be discharged at Colombo. The vessel berthed at the East Container Terminal, Colombo on the 12th August 2022 and discharge operations started on the same day. The ZIM CHARLESTON eventually departed Colombo and the operators of the vessel declared General Average and appointed Richards Hogg Lindley to collect GA security.

Another standout declaration of General Average in September was in relation to the ST COLUMBA. The ST COLUMBA is a bulk carrier that suffered a significant shift of cargo on the 30th September 2022 whilst proceeding on a fully laden voyage from China to California.

At the time of the shift of cargo, the ST COLUMBA was laden with steel pipes that were stowed both under deck and above deck. As a result of the shift of cargo the ST COLUMBA was immediately forced to divert to Busan, Korea as a port of refuge. The ST COLUMBA safely arrived at Busan and the Owners declared General Average. A General Average surveyor was appointed and cargo laden above deck was also discharged and surveyed. Following on from re-loading of cargo the ST COLUMBA was free to continue on her voyage to California.

On the 1st December 2022 the GREEN SELJE, a reefer vessel laden with some 4,264 MT of frozen fish suffered a significant rudder malfunction whilst navigating the Bay of Biscay. The GREEN SELJE had laden cargo in the Faroe Islands and was due to discharge cargo at Tema, Ghana and Lagos Nigeria. As a result of the incident, the Owners of the GREEN SELJE had to engage salvage assistance and the ship and cargo were towed to Vigo, Spain in order to discharge cargo and undergo repairs. The Owners of the GREEN SELJE declared General Average and appointed Richards Hogg Lindley to collect General Average security.

In summary, 2022 was certainly a quieter year in comparison to 2021 insofar as major shipping casualties, and particularly fires, was concerned. That said, 2021 was somewhat unusual insofar as the number of casualties that arose and the standout nature of those casualties, in particular the grounding of the EVER GIVEN in the Suez Canal. That said, there were a number of high profile casualties in 2022, the ZIM CHARLESTON and the EVER FORWARD among them. It will be fascinating to see what happens in 2023...

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.