

جنوح السفينة «إيفر جيفن» في قناة السويس

Stranded EVER GIVEN in Suez Canal

وبدأ الحادث يوم الثلاثاء الماضي عندما هبت رياح قوية عبر المنطقة ورفعت الرمال على ضفاف القناة التي يبلغ طولها 120 ميلاً والتي تربط البحر الأبيض المتوسط في الشمال بالبحر الأحمر في الجنوب.

ويذكر أن الممر المائي ضيق - أقل من 205 أمتار في بعض الأماكن - وقد يكون من الصعب التنقل فيه عندما تكون الرؤية ضعيفة، لكن سفينة Ever Given استمرت في مسارها عبر القناة، في طريقها إلى روتردام من الصين.

وعندما اجتاحت العواصف التي وصلت إلى 46 ميلاً في الساعة، فقد الطاقم السيطرة على السفينة وانحرفت بشكل جانبي إلى سد رملي، مما أدى إلى إغلاق القناة بأكملها تقريباً.

The accident began last Tuesday when strong winds blew across the region and raised sand on the banks of the 120-mile-long canal that links the Mediterranean Sea in the north with the Red Sea in the south.

He states that the waterway is narrow - less than 205 meters in places - and it may be difficult to navigate it when visibility is poor, but Ever Given continued its course through the canal, en route to Rotterdam from China.

As storms swept up to 46 mph, the crew lost control of the ship and veered sideways into a sand embankment, shutting down nearly the entire channel.



Editorial

It is not the first time Suez Canal has been obstructed; It was previously closed due to the 1956 aggression against Egypt and after the 1967 and 1973 wars. The canal opened after the Peace Agreement in 1975.

The Suez Canal is the most important navigation corridor in the world, and passing through it towards European ports reduces the time of voyages from 10 to 14 days.

What increases the importance of the Suez Canal is that the volume of global trade has doubled dramatically since the industries shifted from Europe and North America to Southeast Asia (Asian tigers) and China, which are now controlling the largest part of exports to the rest of the world.

With the increase in the need for transportation, the power of the giant ships transporting containers has increased, which doubled their size in a "crazy" way to become very similar to huge highrise buildings, consuming in one day enough diesel for a medium city to produce electricity.

This hyperinflation of the volumes of mega ships has consequences that could become systemic risks. Closing the channel will disturb the supply chain. Also, accidents on these ships can have major consequences in terms of the quantum of claims, whether in relation to goods or business interruption. The carbon dioxide emissions caused by these ships have become a source of concern and prompted countries to put pressure on the large carriers (CMA-CGM- Maersk ...) to develop plans to purify their gaz emissions and search for alternative energies to diesel.

For the Arab countries, the canal is an essential resource for Egypt (\$ 5.6 billion a year). Changing maritime shipping routes, even temporarily, will increase the cost of transport and insurance, especially for manufactured imports or raw materials and exports of oil and gas to Europe and the Mediterranean countries.

Once again, one single event can cause severe damage to the economy; this incident underline the important economic role of insurance and the necessity to anticipate in advance the potential major risks and the need to and be prepared to face them. This is called Risk Management.

Chakib Abouzaid
Secretary General

الإفتاحية

ليست هذه المرة الأولى التي يتم فيها غلق قناة السويس؛ فقد سبق وأن أغلقت بسبب عدوان 1956 على مصر و بعد حروب 1967 و 1973 و لم تفتح إلا بعد اتفاقية السلام في سنة 1975.

قناة السويس أهم ممر ملاحي في العالم و المرور عن طريقها في اتجاه الموانئ الأوروبية يقلل زمن الرحلات من 10 إلى 14 يوم.

ما يزيد من أهمية القناة هو أن حجم التجارة العالمية تضاعف بشكل كبير منذ أن تحولت الصناعات من أوروبا وأمريكا إلى جنوب شرق آسيا (النمور الآسيوية) و الصين و التي أصبحت تستحوذ على الجزء الأكبر من الصادرات إلى باقي دول العالم.

مع ارتفاع الحاجة إلى النقل، إرتفعت طاقة البواخر العملاقة التي تنقل الحاويات و التي تضاعفت أحجامها بشكل "جنوني" لتصبح بمثابة بنايات كبيرة جداً، تستهلك في يوم واحد من الديزل ما يكفي مدينة متوسطة لإنتاج الطاقة الكهربائية.

هذا التضخم الفارط في أحجام السفن العملاقة، له عواقب يمكن أن تصبح أخطاراً كبيرة systemic risk؛ فإغلاق القناة سيستسبب بتوقف خطوط الإمداد Supply chain؛ كما أن حوادث هذه السفن يمكن أن تكون لها تبعات كبيرة من حيث مستوى التعويضات سواء تعلق الأمر بالبضائع أو بخسائر العمل Business interruption. كما أن انبعاثات ثاني أكسيد الكربون التي تتسبب فيها هذه السفن أصبحت مصدر قلق و دفعت بالدول إلى الضغط على شركات النقل الكبيرة (CMA-CGM- Maersk ...) إلى وضع خطط لتنقية انبعاثاتها و إلى البحث عن الطاقات البديلة عن الديزل.

بالنسبة للدول العربية، تعتبر القناة مورداً أساسياً لمصر (5.6 مليار دولار في السنة)، كما أن تغيير طرق الملاحة البحرية و لو مؤقتاً سيرفع من تكلفة النقل و التأمين و خاصة بالنسبة للواردات المصنعة أو المواد الأولية و لصادرات البترول و الغاز إلى أوروبا و دول البحر الأبيض المتوسط.

عموماً، مرة أخرى يتسبب حدث واحد في أضراراً بليغة للإقتصاد، و مرة أخرى يتأكد الدور الاقتصادي المهم للتأمين، و ضرورة التفكير جلية في الأخطار الكبيرة المحتملة و ضرورة استباقها و الاستعداد لها. هذه إدارة المخاطر...

شكيب أبوزيد
الأمين العام

Stuck In The Suez: The impact upon marine insurance covers

On 23rd March 2021 at approximately 0540 GMT, the m/v EVER GIVEN ran aground 151km north in the Suez Canal, effectively blocking passage through the canal and immediately causing a backup of more than 100 other vessels either already in or entering the canal from either end.

The m/v EVER GIVEN is a 219,049 GT fully cellular container ship with a capacity of 20,338 TEUs. Owned and operated by Japan's Shoei Kisen and Taiwan's Evergreen respectively, she is entered with the UK P&I Club by her owners and with Gard by charterers.

Every day the Suez Canal is blocked, an additional 50 vessels add to the backlog of traffic entering the canal from either end, resulting in potentially **US\$10-15m** of additional losses per day. **What is the marine insurance position of the m/v EVER GIVEN and the vessels whose passage has been hindered?**



Vladimir
Ljubisavljevic
Director, Marine -
Asia at Aon

1. H&M:

- Though understood to not be severe, damages to the vessel as a result of the grounding will give rise to a H&M claim.
- Salvage operations as a result of the grounding would be added to the claim.
- General Average costs will certainly be incurred in order to complete the common adventure, and these would be recoverable from cargo interests as per the New Jason Clause. Due to the volume of packages on board and Bills issued, owners might opt, depending on their H&M conditions, to recover these funds from H&M underwriters through their General Average Absorption Clause.

2. P&I:

- Any cargo damage will be covered by the vessel's P&I Club. As the cargo is not thought to be damaged due to the grounding, presumably this will mainly be relevant for perishable cargo.
- Consequential loss of late delivery (of sound cargo) is not covered. In any case, this will likely be excluded under the relevant Force Majeure provisions and the Hague/Hague-Visby Rules.
- Fines imposed by the Suez Canal Authority could be covered under Rule 2, Section 22.
- Damage to the Suez Canal itself (e.g. the banks of the canal) would be covered as a result of a collision to a fixed or floating object.
- There is a strong argument that consequential damages i.e. business interruption to the canal as a result of the blockage, would also be covered as a result of the same FFO peril.
- Should this be the case, the collision claim would quickly become a claim on the International Group Pooling Agreement.

3. Loss of Hire (if purchased)

- There is a valid claim under the policy subject to the excess period – generally 7 days for Japanese shipowners, with typical limits of 90, 120 or 180 days.

4. Delay Insurance (if purchased)

- There is a valid claim (Grounding, Collision) under the policy subject to the excess period, typically 4 days with limits of 10-20 days.

All other vessels:

1. H&M:

- As no damage has arisen to any other vessels, no H&M claims are expected.

2. P&I:

- Cargo claims are expected for perishable cargo, and these are expected to be covered by the vessels' P&I Clubs, with recourse action potentially being taken against the owners of the m/v EVER GIVEN and their P&I Club.
- Consequential loss of late delivery (of sound cargo) is not covered. As mentioned above, this would likely be excluded under the HR/HVR.
- Though as per our understanding, no vessels are yet to make sail for a passage around the Cape of Good Hope, such a voyage would at the very least raise the question of deviation or the duty of utmost despatch, and the legal issues that come with it, as well as the (un)prejudiced continuance of Club cover.
- The journey around the Capes are more dangerous by nature, and hence if any cargo was damaged as a result of the more perilous journey, Clubs would have had to agree to this in advance for members to enjoy uninterrupted Club cover.

3. Loss of Hire:

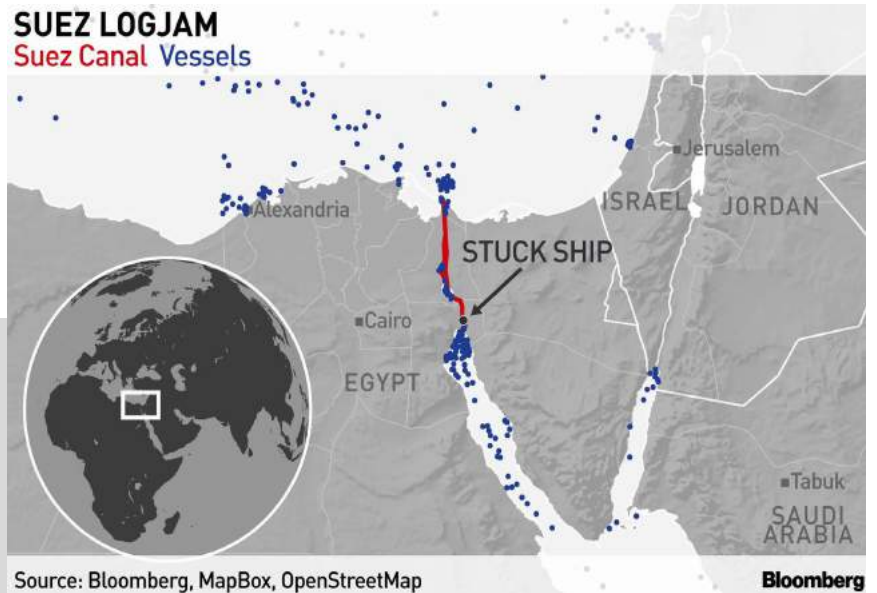
- With no H&M damage, owners' Loss of Hire policies

would not be triggered.

4. Delay Insurance:

- Delay Insurance would be triggered as the blockage of the canal constitutes a physical obstruction to a navigable waterway, a covered peril for Shoreside events. This is typically subject to a 1-day excess period and limit of up to 20 days.

This is an unfortunate incident and certainly one which will be discussed for many weeks and months to come. What is evident is the need to look at products which might be outside the scope of typical H&M and P&I covers, such as Delay Insurance, with typically niche products offering a sleep-easy solution to shipowners and charterers.



Source: LinkedIn

Stranded Suez ship's owner, insurers face millions in claims

The owner and insurers of one of the world's largest container ships stuck in the Suez Canal face claims totalling millions of dollars even if the ship is refloated quickly, industry sources said on Wednesday.

The 400-metre, 224,000-tonne Ever Given ran aground on Tuesday morning after losing the ability to steer amid high winds and a dust storm, the Suez Canal Authority (SCA) said in a statement, threatening to disrupt global shipments for days.

GAC, a Dubai-based marine services company, said authorities were still working to free the ship mid-afternoon on Wednesday, and that information it had received earlier claiming the vessel was partially refloated was inaccurate.

The ship's owner, Japanese firm Shoei Kisen KK, and its insurers could face claims from the SCA for loss of revenue and from other ships whose passage has been disrupted, insurers and brokers said.

"All roads lead back to the vessel," said David Smith, head of marine at insurance broker McGill and Partners.

Shoei Kisen could not be reached for comment.

Container ships of this size are likely insured for hull and machinery damage of \$100-140 million, insurance sources say. The ship was insured in the Japanese market, two of the sources said.

The cost of the salvage operation is also borne by the hull and machinery insurer.

"It is potentially the world's biggest ever container ship disaster without a ship going bang," one shipping lawyer, who declined to be named, said.

Martijn Schuttevaer, spokesman for Dutch marine

services company Boskalis, told Reuters its subsidiary Smit Salvage had been hired to help with the operation. A team of around 10 people is heading to Egypt.

SUPPLY CHAIN ISSUES

In addition, owners of the cargo on board the ship and on other ships stuck in the Canal will likely claim from the ship's liability insurer for losses to perishable goods or missed delivery deadlines, the sources said.

"If you have a constant build-up of ships, there are massive supply chain issues," said Marcus Baker, global head, marine and cargo at insurance broker Marsh.

UK P&I Club said in an emailed statement to Reuters that it was the protection and indemnity insurer for the Ever Given, but declined to comment further. This segment of insurance covers ships against pollution and injury claims.

The bulk of those insurance claims will then likely be reinsured through a programme run by the wider International Group of P&I Clubs, Smith at McGill said.

At least 30 ships were blocked to the north of the Ever Given, and three to the south, local sources said. Several dozen ships could also be seen grouped around the northern and southern entrances to the canal.

Analytics firm Kpler said more than 20 oil tankers carrying crude and refined products were affected by the disruptions.

Rahul Khanna, global head of marine risk consulting at Allianz Global Corporate & Specialty (AGCS), said there could also be claims for damage to the canal. Photos shared by the SCA showed a digger removing earth and rock from the bank of the canal around the ship's bow.

Groundings are the most common cause of shipping incidents in the canal, with 25 in the past 10 years, according to AGCS.

However, insurers look unlikely to face claims for spillage into the canal. Bernhard Schulte Shipmanagement, the vessel's technical management company, said there were no reports of pollution.

Additional reporting by Kirstin Ridley in London and Anthony Deutsch in Amsterdam; Editing by Emelia Sithole-Matarise

Source: Reuters

Industry costs from Suez obstruction to exceed \$100m: McGill & Partners

Analysts at specialist broker McGill and Partners believe that the re/insurance industry could be looking at costs in excess of \$100 million due to the ongoing obstruction in the Suez Canal.

The vital trade waterway through Egypt has been blocked by a grounded ship since Tuesday, resulting in a backlog of some 150 ships now waiting to pass through the route.

Reports suggest that it may be possible to move the Ever Given by Monday, when the tide should be high enough to dislodge the 400m-long, 224,000-tonne container vessel. But a specialist salvage company assisting the operation says the process could take weeks.

The ship had been en route from Yantian to Rotterdam before it lost the ability to steer due to high winds and a dust storm, which caused it to run aground diagonally across part of the Suez passage.

We reported yesterday that the Ever Given alone is thought to be carrying goods worth \$89 million, with Russell analysis warning that the blockage could jeopardise the \$40 billion of goods that flow between the Chinese and Dutch ports.

David Smith, Head of Hull and Marine Liabilities at McGill and Partners, notes that a figure of \$100 million has been mentioned by some as a possible loss for the re/insurance industry.

But the global significance of the incident and the setbacks in freeing the Ever Given are likely to push these costs much higher, he suggests.

“The final bill – which will be made up of compensation for delays, loss of revenue for the Canal Authority, potential damage to cargo and the cost of refloating the ship, is likely to be even more expensive,” Smith said in reference to the \$100 million estimate.

“For some time now the salvage industry has been warning that container ships are simply getting too big for situations like this to be resolved efficiently and economically,” he added. “This incident may force

shipbuilders, owners and cargo operators to sit up and listen.”

The MV Ever Given is a Panama-flagged vessel operated by Taiwanese company Evergreen and owned by Shoeni Kisen Kaisha Ltd, of Japan. It's thought to be capable of carrying 20,000 containers, some of which may have to be removed to make the vessel lighter and easier to move.

Currently, local authorities are using dredgers to remove material from around the ship where its bow appears to be wedged into the canal's eastern bank, while tug boats are on hand to assist the effort.

On average, nearly 50 vessels pass along the Suez Canal each day under normal circumstances, although at times the number can be much higher than that, with about 12% of global trade passing through the 120-mile canal.

John Glen, an economist at the Chartered Institute of Procurement & Supply, suggested that UK businesses could see delays of up to 10 days if backlogged ships are forced to reroute around the southern tip of Africa. “If this does happen it will inevitably lead to shortages of goods and inflationary price rises for consumers,” he noted.

Meanwhile, energy consultancy Wood Mackenzie believes that a minimum of 16 tankers carrying crude oil and refined fuel are among the ships facing delays, which could support a lift in oil prices.

Source: Reinsurance News

Supply chains threatened as Suez disruption continues

Analysts have warned that the ongoing blockage in the Suez Canal is likely to have significant repercussions for global supply chains, which have already been under strain since the outbreak COVID-19 pandemic.

Figures from Euler Hermes, a trade credit subsidiary of Allianz, show that for each day the disruption continues, global trade could be impacted by between \$6 billion and \$10 billion of additional costs.

The vital trade waterway through Egypt has been blocked by a grounded ship since Tuesday, resulting in a backlog of more than 150 ships now waiting to pass through the route.

There are hopes that it may be possible to move the Ever Given on Monday, when the tide could be high enough to dislodge the 400m-long, 224,000-tonne container vessel. But a specialist salvage company assisting the operation says the process could take weeks.

On average, nearly 50 vessels pass along the Suez Canal each day under normal circumstances, although at times the number can be much higher than that, with about 12% of global trade passing through the 120-mile canal.

According to Lloyd's List, every day it takes to clear the obstruction will disrupt an additional \$9 billion worth of goods. Rough calculations suggest westbound traffic is worth around \$5.1 billion daily while eastbound traffic is worth \$4.5 billion.

Already, specialist broker McGill and Partners has warned that the re/insurance industry could be looking at costs in excess of \$100 million due to the ongoing obstruction in the Suez Canal, although this figure will likely continue to rise for every day the obstruction remains in place.

But while the blockage alone represents something of a crisis for the shipping industry and global trade, Jonathan Owens, a logistics expert from the University of Salford Business School notes that the incident "could not have come at a worse time."

"This situation has piled on more problems for beleaguered shipping companies, who were already facing disruption and delays in supplying products to customers due the unbalanced supply chains, in the wake of the global pandemic," Owens explained.

"The unbalanced supply chain and need for shipping containers to be restored would mean that if the blockage is not going to be cleared in the very near future shipping companies are going to have to re-route their cargo much further south, causing delays

of up to approximately 7-10 days, which in turn puts extra strain on a stretched supply chain."

Euler Hermes likewise described the Suez Canal blockage as "the straw that breaks global trade's back," coming on top of supply chain disruptions since the beginning of the year that could cost real trade growth -1.4pp or roughly USD230bn of direct impact

"Suppliers' delivery times have lengthened and are now longer in Europe than during the peak of the Covid-19 pandemic in 2020," said Ana Boata, head of macroeconomic research at Euler Hermes.

"Importers have been grappling with a number of issues such as a shortage of containers and semiconductors, which are already hitting delivery of goods to consumers around the world. Second-round effects will be even more important as supplier input and possibly consumer prices increase," Boata explained.

"Businesses in the UK have also have the added headache of disruption at key ports as the country adapts to the new reality outside the EU after the end of the transition period."

The ship blocking the Suez passage is the MV Ever Given, a Panama-flagged vessel operated by Taiwanese company Evergreen and owned by Shoei Kisen Kaisha Ltd, of Japan. It's thought to be capable of carrying 20,000 containers, some of which may have to be removed to make the vessel lighter and easier to move.

The ship had been en route from Yantian to Rotterdam before it lost the ability to steer due to high winds and a dust storm, which caused it to run aground diagonally across part of the Suez passage.

We reported earlier this week that the Ever Given alone is thought to be carrying goods worth \$89 million, with Russell analysis warning that the blockage could jeopardise the \$40 billion of goods that flow between the Chinese and Dutch ports.

Currently, local authorities are using dredgers to remove material from around the ship where its bow appears to be wedged into the canal's eastern bank, while tug boats are on hand to assist the effort.

But Owens warns that even once the Ever Given is freed, there will be a period of further disruption as the ships heading towards Europe "bottleneck" and

cause a “high congestion” at their destination ports, which are already operating at a slower pace due to the extra Covid procedures in places with the shipping containers.

“There will be no clear-cut product that will be impact rather a series of products, from toys and furniture to electrical items, and the canal is a choker and a main shipping supply route,” he said. “Whatever the result will cause repercussion for a while in our supply chains.”

Source: Reinsurance News



Suez Canal blockage could drive \$40bn in trade disruption: analysts

The Evergreen container ship currently blocking the Suez Canal after plunging one of the world’s busiest trade routes into chaos could be carrying goods worth \$89 million and threatens to create more than \$40 billion dollars of trade disruption, according to analysis from Russell.

Reports on the still-unfolding event say rescue boats are working to free the huge 400m-long vessel after it had been knocked off course by strong winds and causing the hull to deviate before accidentally hitting the bottom and run aground.

Russell analysis shows that the potential disruption of the blockage will have a significant impact for the retail sector with the Evergreen container ship carrying clothing items with an estimated value of \$4 million

Importantly, Russell MD Suki Basi claimed the disruption highlights how global trade has become dependent on these ‘mega ships’ and how any disruption in trade routes can leave many organisations and their (re)insurers significantly exposed to Business Interruption risks.

In the 150 years since the canal was built, the route has served as an artery connecting the Mediterranean

with the Red Sea, and provides an avenue for vessels to pass between Asia and the Middle East and Europe.

On average, nearly 50 vessels per day pass along the canal, although at times the number can be much higher than that – accounting for some 12% of world trade.

Russell analysts note how the canal is particularly important as an avenue for oil and liquified natural gas, enabling shipments to get from the Middle East to Europe.

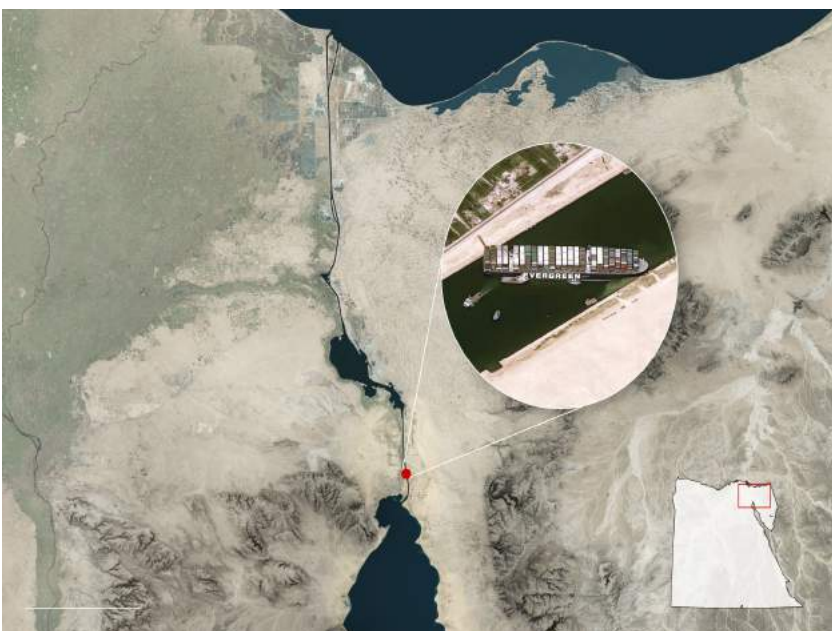
However, the wider potential disruption due to delayed shipments are expected to impact technology and automotive companies such as Huawei, Airbus and Fiat Chrysler, because of their exposure to commodities such as Integrated Circuit Boards that are annually exported from Yantian port to Rotterdam.

The 220,000-tonne, 400-meter long container ship, registered in Panama, was on its way to Rotterdam from the Chinese port of Yantian.

Analysts expect insurance companies and their data providers to be monitoring the grounded ship with some interest not necessarily because of any damage to the vessel but because of the nature of the cargo on board.

“Coming on top of the global pandemic and recent disruptions to global auto production caused by other events, this latest blockage shows that insurers and their risk partners increasingly need to follow the money when assessing their underlying connected trade risks,” Russell MD Suki Basi concluded.

Source: Reinsurance News



The Suez Canal blockage and mega ship risks

The grounding of an ultra large container ship in the Suez Canal brought traffic on the central shipping route between Europe and Asia to a standstill. In this Q&A, AGCS Global Head of Marine Risk Consulting, Captain Rahul Khanna looks at some of the potential implications of this incident and highlights some of the risk challenges posed by ever-increasing ship sizes.



How do operators approach the salvage of such a huge ship? What are the challenges?

Container-carrying capacity on ships has increased by 1,500% over the past 50 years and has doubled over the past decade and a 224,000-tonne, 400-metre-long vessel which can carry up to 20,000 containers like the MS Ever Given is in the top 1% in terms of size of vessels on the ocean. Obviously, the size of these vessels make a salvage operation a significant undertaking. For some time now many in the salvage industry have warned that container ships are getting too big for situations like this to be resolved efficiently and economically.

Dislodging a “mega ship” in a confined space like the Suez Canal will be challenging, requiring the expertise of a specialist salvage company - not all have the experience of dealing with such vessels. Their first job is to assess the degree to which the vessel is aground, and what could be the safest and quickest way to refloat the ship. A best case scenario would be that a combination of high tide and adequate tugs may free the vessel. However if the vessel is hard aground then lightening the vessel may be the only option and containers may have to be removed from the ship. This will delay the salvage/refloating process and is going to make the operation a lot more expensive.

Assuming that the grounding of the Ever Given will continue, what are the potential claims scenarios in scope from an insurance perspective?

• It’s still too early to comment on the causation of this incident as a number of different factors have been cited as contributing to the incident in reports. However, potential claims scenarios could include damage to the vessel’s hull and engine (if there was a machinery breakdown issue – a frequent cause of marine insurance claims); damage to the propeller and its shaft if the stern is aground as well; salvage and vessel removal costs - which can quickly escalate particularly in the event of wreck removal; third party liability claims especially with regards to damage to the canal; loss of any perishable goods in cargo; and business interruption and loss of revenue claims as a result of this blockage.

If ships are unable to go through the Suez Canal, is there any chance they can take the longer route around the African coast?

• The option of going around the Cape of Good Hope (COGH) is always available although it adds around 5,000 nautical miles or 9,000 kilometers to a typical journey from the Middle East to Europe. From Singapore to Europe it probably is less, around 3,000 to 3,500 nautical miles

• This means a lot more fuel consumption and a much longer journey time (around 10 to 15 days more depending upon the speed of the vessel). Therefore, such a consideration is considerably more expensive but the ship can save on Suez Canal fees. The weather is another consideration as this can deteriorate while going round the Cape. Therefore, it’s not the first route choice for smaller vessels who may not even have the fuel capacity. Much also depends on the price of fuel and prevailing ship charter rates. Sometimes higher fuel prices and charter rates combined could make the longer journey cost-effective. For a few days blockage it probably doesn’t make sense for ships to reroute, only if a longer term delays are envisaged.

What is the likely impact on global supply chains? Which goods may be affected?

• Such incidents show the immediate impact that the blockage of one of the world’s major shipping routes can have and highlights how dependent global trade has become on mega ships. Between 10-12% of global trade passes through the Suez Canal with more than 50 vessels transiting it a day. Lloyd’s List



has estimated that around \$10bn of daily marine traffic could be halted by this blockage and it comes at a particularly bad time for global supply lines. Car and computer makers are straining from a global chip shortage, exacerbated by a fire in a big chip making factory in Japan. Car makers have closed plants after a Texas cold snap earlier last month hit production, and California ports have been hit by backlogs and delays. The canal is an important route to transport oil and liquefied natural gas from the Middle East to Europe and there is also the potential for delayed shipments to technology and automotive companies as well.

What are the challenges of mega ships in general? From a risk management point of view, what lessons can be drawn from this incident?

- Insurers have been warning for years that the increasing size of vessels is leading to a higher accumulation of risk. These fears are now being realized, potentially offsetting long-term improvements in safety and risk management.
- Such ships generate economies of scale for ship owners but also a disproportionately greater cost when things go wrong. Dealing with incidents involving large ships, such as fires, groundings and collisions, are becoming more complex and expensive.
- Fires on board large container vessels are now a regular occurrence and such incidents can easily result in large claims in the hundreds of millions of dollars, if not more. A hypothetical worst-case loss scenario involving the collision and grounding of two large container vessels, or a container vessel and a cruise ship, could result in a \$4bn loss if the costs of a complicated salvage and wreck removal and any environmental claims are included.
- The size of a vessel can significantly increase salvage and general average costs. Mega ships require specialist tugs and finding a port of refuge with capacity to handle such a large ship can be difficult, which increases the salvage operation costs.
- It is clear that in some shipping segments, loss prevention measures have not kept pace with the upscaling of vessels. This is something that needs to

be addressed from the design stage onwards. And with 24,000 TEU vessels on the horizon we are now seeing the implications of what might happen more regularly in the future.

- In this case of this particular incident there will no doubt be some valuable lessons to be learned with respect to the pilotage and handling of the ultra large vessels in the Suez Canal, especially during sand storms and other scenarios where visibility is hampered.

Safety Statistics

Nearly 19,000 ships passed through the Suez Canal in 2020, according to the Suez Canal Authority - an average of 51.5 ships per day.

The Suez Canal has a good safety record overall with shipping incidents rare. There were 75 reported incidents in total in the canal between 2010 and end of 2019. More than a third involved container ships (28).

However, groundings (such as the Ever Given incident) are the most common cause of shipping incidents in the canal – 25 in the past 10 years or 1 in 3 of all shipping incidents in the canal.

Together, grounding, collision and contact incidents account for half of all shipping incidents in the Suez Canal over the past decade.

Source: [agcs.allianz](https://www.agcs.allianz.com)



Ever Given Grounding: Suez Canal Closure Highlights Marine Industry Risks

The grounding of the mega-ship Ever Given in the Suez Canal presents a challenge that may not be resolved quickly, snarling global marine traffic at a time when supply chains are still recovering from disruptions related to the COVID-19 pandemic.

Suez Canal handles 12% of global trade

The Ever Given, a Panama registered container ship built in 2018, is one of a new class of extremely large container ships. Its grounding on March 23, 2021, has inspired worldwide media interest and highlighted the fragility of global supply chains. In 2019, container ships (of all sizes) carried approximately **US\$4 trillion** of goods. The largest of these ships now range to 400 meters (1,312 feet) long and 59 meters (193 feet) wide, and are capable of carrying up to 24,000 20-foot equivalent unit (TEU) boxes on each voyage. The concentration of risk is clear.

According to a variety of media reports, the Ever Given was blown by strong winds and became stuck on the banks of and blocked the Suez Canal near its southern end. Approximately **12% of global trade** uses the canal in a series of daily northbound and southbound convoys, carrying close to US\$ 10 billion in goods per day, according to various public sources. The **Suez Canal Authority** temporarily suspended navigation in the canal on March 25.

At the time of writing, initial attempts to free the vessel and unblock the canal to other traffic have failed to dislodge the ship and there are reports that it may take some time.

Too soon to know specifics of potential insurance claims

It is too early to tell the extent of insurance claims that will arise from either the ship's grounding or the canal's blockage. It is obvious that delays to goods reaching their intended destinations, including through using alternative routes, will impose additional costs, which should be taken into account in risk finance planning.

"We are fielding numerous questions from concerned clients about a wide range of insurance issues arising from the Suez Canal blockage," commented Capt. Abhijit Naik, head of Marsh JLT Specialty's marine practice in the Middle East and North Africa. "There is a great deal of uncertainty at this time, while ship and cargo owners consider their contingency plans and alternative routes."

Some insurance products can, under some circumstances, help to mitigate the risks. Marine delay cover is offered by a number of insurers. It is often possible, at the time of initial risk placement, to have such cover to include a wider set of events should exposure to the consequences of a physical blockage along the route adversely affect their business.

Further, some companies could face potential liabilities if they are unable to perform their contractual delivery

responsibilities in a timely fashion. Events such as the Ever Given grounding highlight that such failure to perform may be both unexpected and outside a company's control.

For the ship and its cargo, there are a range of considerations, including, but not limited to:

- The risk to the ship itself, such as potential damage to its hull.
- The nature of its cargoes, such as sensitive food and medicines, and the ability to maintain temperature and other environmental controls.
- The specifics of the required salvage, such as, will the ship need to be lightened?
- The complexity and scale of potential general average claims.
- The fundamental question of what caused the ship to run aground.

It is possible that the largest claims will arise from ships that are stuck in the canal or otherwise unable to proceed because of the blockage. Pure economic loss claims are legally complex and the question of the appropriate forum will be key. Can the ship limit its liability under any applicable laws? All these questions will be key in assessing the ultimate extent of the ship's liability.

Suez Canal one of several global economic chokepoints

It is still early, at the time of this writing, to assess the economic fallout should the 193 kilometer canal remain closed for an extended period. But every day that the Suez Canal is blocked to traffic, there will be an increase in the number of ships travelling between Europe and Asia that will either have to anchor and wait for the channel to be unblocked or opt to re-route. Traveling around South Africa would add up to 10 days to the journey, adding significant additional fuel costs and would increase exposure to known piracy and politically unstable areas at the southern end of the Red Sea and off the West African coast and Gulf of Guinea.

Channels such as the Suez and Panama Canals, the Straits of Hormuz, and the Straits of Malacca, are known chokepoints for the global economy. When any of them becomes blocked — whether through accidents or deliberate political events — there is a serious effect on the entire shipping industry and beyond.

The Suez Canal has been blocked before: In the aftermath of the 1967 Six-Day War in the Middle East,



Stephen Harris
Senior Vice
President,
Technical Advisor,
Marine & Cargo

Egyptian authorities deliberately blocked the canal in June that year. It remained closed for eight years, by the end of which European countries had nearly begun to ration petrol for cars.

The International Salvage Union (ISU) has for some years warned that the salvage industry is ill-equipped to handle accidents that occur at sea involving vessels as large as the Ever Given. Offloading and lightening such large ships to make them easier to salvage — in this case simply to move it — present considerable challenges.

In 2016, a similar event occurred on the River Elbe in Germany in the approaches to the port of Hamburg when the CSCL New Orleans, another large container ship, became stuck. It was eventually freed by employing dredgers to remove soil surrounding it.

Managing such risks and mitigation of them with insurance, needs careful consideration and we strongly advise our clients to consider these risks and talk to their usual Marsh contacts to discuss this matter further.

Source: Marsh

14 قاطرة تشارك في عمليات تعويم السفينة

قناة السويس: فشل محاولة استغلال المد البحري لتحريك السفينة العالقة

قال رئيس هيئة قناة السويس، الفريق أسامة ربيع، إن عدد السفن المنتظرة حالياً لعبور قناة السويس بلغ 321 سفينة في الشمال والجنوب ومنطقة البحيرات.

عودة الملاحة

وأشار ربيع إلى أنه سيتم بحث الغرامات المالية بعد انتهاء التحقيقات، موضحاً أن لا يمكن تحديد موعد تعويم السفينة الجانحة حتى الآن.

وقال إنه لا بد من فحص السفينة قبل تعويمها وسيتم العمل على مدار الساعة لعبور السفن بمجرد تعويم السفينة الجانحة.

مسارات أخرى

واستبعد ربيع تجنب خطوط الشحن استخدام القناة بسبب حادث جنوح سفينة الحاويات العملاقة التي عبرت قناة السويس قبل ذلك.

وأضاف أنه لخطوط الشحن حرية سلوك معبر رأس الرجاء الصالح لكنها لم تفعل ذلك بعد.

حركة سفن النفط

وقالت هيئة قناة السويس، أمس الجمعة، إنها تتطلع للتعاون مع الولايات المتحدة لتعويم السفينة الجانحة في القناة، مثمناً عرض واشنطن تقديم المساعدة في هذا الإطار.

وتقدمت عدة جهات بعروض لتقديم العون لمصر التي تواصل جهودها الرامية لإخراج ناقلة حاويات ضخمة تعطل منذ أيام حركة الملاحة في قناة السويس، الممر التجاري الحيوي بين أوروبا وآسيا الذي يمر به نحو 12% من التجارة العالمية، في حادث عرقل حركة النقل البحري العالمي.

من أصل 39.2 مليون برميل يومياً من إجمالي النفط الخام المستورد بحراً في 2020، استخدم 1.74 مليون برميل يومياً القناة، بحسب كبلر لتتبع حركة الناقلات.

وقالت كبلر إنه بالإضافة إلى ذلك، فإن أقل قليلاً فحسب من 9% أو 1.54 مليون برميل يومياً من واردات المنتجات المكررة العالمية مرت في قناة السويس.

وأكد رئيس الوزراء المصري، مصطفى مدبولي، في وقت سابق أنه جار العمل لاستعادة الملاحة في قناة السويس، موضحاً أن بلاده ستستعين بخبرات أجنبية في هذا الصدد.

وعبر مدبولي في مؤتمر صحفي اليوم السبت بالقاهرة، عن الشكر للدول التي عرضت المساعدة في حادثة السفينة الجانحة.

المصدر: العربية



جاء ذلك خلال مؤتمر صحفي عقده أمس السبت للتعليق على تطورات جهود تعويم سفينة الحاويات البنمية إيفر جيفن الجانحة بالقناة إيفر جيفن.

وأضاف أن العمل لإعادة تعويم السفينة يجري خلال الـ 24 ساعة يومياً، مشيراً إلى أن هناك توقيات معينة لعمليات شد السفينة وأوقات أخرى لعمليات التكريك "الحفر حول السفينة" وفقاً لعدة عوامل منها المد والجزر.

وأوضح أن الأعماق في منتصف القناة تصل إلى 24 متراً ولكن على جانبي القناة تتراوح بين 2 إلى 5 أمتار لذلك كانت عمليات التكريك هامة لتعويم السفينة الجانحة.

وهناك 14 قاطرة تشارك في عمليات تعويم السفينة في القناة، مشيراً إلى أن أكبر شركات الإنقاذ تشارك في عملية التعويم، وفقاً لربيع.

خطط بديلة

ولدى الهيئة خطط بديلة إذا تعثرت عمليات تعويم السفينة، وفقاً لربيع، الذي أشار إلى أنه يتم بحث خيار تخفيف حمولة السفينة العالقة لتحريرها، لكن في الوقت ذاته لا يأمل أن يتم اللجوء لهذا الخيار.

وأشار إلى أن سرعة الرياح ليست وحدها المسؤولة عن جنوح السفينة لأنه من المعتاد الإبحار في السفينة في ظل رياح سرعتها أكبر من سرعة الرياح الحالية.

السبب الرئيسي

وقال ربيع إنه لا يستبعد فرضية الخطأ البشري أو الفني في جنوح السفينة. وأكد حديثه في المؤتمر بحدوث تلفزيوني آخر قال فيه إن قبطان السفينة هو المسئول عن سبب تلك الحادثة.

يأتي ذلك في الوقت الذي أفادت فيه تقارير، اليوم الأحد، أن السفينة الجانحة كانت تسير بسرعة تفوق المسموح به في قناة السويس.

وتابع في المؤتمر الصحفي: "في هذا اليوم (الثلاثاء) عبرت 12 سفينة قبل السفينة الجانحة و30 سفينة من الشمال"، مؤكداً أن السفينة سبق لها عبور قناة السويس.

وأشار إلى أن السفينة العالقة في مدخل قناة السويس الجنوبي على بعد 30 كيلو من مدينة السويس، وليست في قناة السويس الجديدة.

و"لو حدث هذا الأمر في قناة السويس الجديدة، لن يكون هناك مشكلة، إذ كان سيتم تشغيل القناة الثانية".