

FEATURE

International Salvage Union 2015 Statistics

In a week when, at least from my perspective, there are limited casualties to report on, it is perhaps fitting that this should be the week when the International Salvage Union (ISU) publish their yearly assessment of the salvage sector.

The analysis is based on figures supplied by their members, a list of which can be found on their website, and shows nearly a 10% decline in gross income to ISU members as compared to 2014. Gross revenues for ISU members from all activities dropped in 2015 to USD 717 million from USD 775 million in 2014. It should be noted that this is purely an assessment on yearly revenue, some of which could relate to operations completed in previous years which may have taken time to be concluded.

There are of course many factors which may have had an effect. The continuing decline in freight rates and the number of vessels in lay-up must inevitably impact on the revenue. Fewer vessels operating has to convert to fewer actual casualties and a reduced requirement for salvage or wreck removal operations. With supply outstripping demand it is also possible that charterers are able to be a little more discerning when it comes to the vessels they hire. The vessels may be younger and fitter so to speak, with better maintenance protocols in place. The result being that they are less likely to suffer mechanical failures. Of course the issue of human error still comes into play and this is perhaps demonstrated by the fact that wreck removal revenue continues to increase and now accounts for more the half of the gross revenue of ISU members.

There has been a notable decline in revenue from Lloyd's Open Form (LOF) cases. The 2015 figure of USD 83 million is the lowest in more than a decade. Of course 2014 saw the lowest ever recorded number of LOFs signed and it follows therefore that income from LOF would fall. On the upside, the ISU report that revenue from contracts other than LOF was the second highest, being recorded at USD 98 million.

This demonstrates the continuing trend away from LOF with underwriters clearly wanting to ensure a degree of certainty in terms of their exposure when dealing with a casualty situation. At USD 139 million, the income from the Special Compensation P&I Club Clause (SCOPIIC) in LOF cases has increased significantly in 2015. This is thought to be mainly due to there being a higher than average number of casualties involving low value property which prompted salvors to opt to invoke the SCOPIIC clause but also there were a number of SCOPIIC cases which settled during 2015 from previous years. All in all the statistics show a significant drop in all salvage revenue, both LOF and non LOF, to USD 181 million. In 2014 the revenue was USD 327 million. Since edition 157, when we summarised the LOFs reported to Lloyd's in the first quarter of 2016, there has only been one other reported case.

The statistics show the fluctuating nature of the salvage industry and the increasing difficulties facing

ISU members seeking to maintain their salvage capabilities. ISU members will continue to face challenges to their revenue and profitability. At a recent conference I attended time and time again the issue of trust was raised when discussing the continued decline of LOF. ISU members must seek to ensure that they are above reproach and particularly that they show that the LOF contract has been used in only the most appropriate circumstances, where an emergency response was required. Owners and insurers must in turn not shy away from LOF, in its unaltered form, when circumstances require it. In this regard and in commenting on the latest statistics John Witte, the President of the ISU, said 'Using the right contract in the right situation is very important and owners, insurers and salvors are committed to improving their understanding of each others' needs and preferences which will improve trust on both sides'.

The ISU report and statistics can be found by visiting the ISU site [here](#).

The *Smart* - wreck removal completed September 2015



NEW CASUALTIES



Pauline Russ/Nord Wind ▲

Pauline Russ - Ro-ro, IMO 9198989, Built 1999, 7,096 dwt

Nord Wind - Yacht, No other details

Date of Casualty 10 May 2016 - Late Notification

Voyage Hanko, Finland to Tilbury, UK
Cargo General cargo

Type of Casualty Collision north of Tahkuna peninsula, off Hiiumaa island, Estonia causing damage to the yacht.

Type of Claim Collision damage claim
P&I West of England

Passio Per Formentera ▼

Passenger ro-ro, IMO 9465239, Built 2009, 850 dwt

Date of Casualty 10 May 2016 - Late Notification

Type of Casualty Allided with a quay in Ceuta following a mechanical issue. Both the quay and the vessel suffered damage.

Type of Claim Allision damage claim
P&I Britannia

Calajunco M/Capo Passero

Calajunco M - Chemical tanker, IMO 9359571, Built 2007, 21,600 dwt



Capo Passero - Tug, IMO 9461001, Built 2010, 381 gt

Date of Casualty 11 May 2016

Voyage Romano, Albania to Augusta, Italy

Cargo No details

Type of Casualty Collision at Augusta outer roads.

Type of Claim Collision damage claim
P&I Gard



Sea Landsort ▲

Crude oil tanker, IMO 8919154, Built 1991, 163,038 dwt

Date of Casualty 11 May 2016

Voyage Fujairah to Suez, Egypt

Cargo In ballast

Type of Casualty Grounded whilst transiting the Suez Canal. The vessel was refloated with tug assistance.

Type of Claim Possible salvage type claim

Pauline

Fishing vessel, IMO 9730725, Built 2014, 100 gt

Date of Casualty 11 May 2016

Type of Casualty Disabled south of Færder in the Oslo Fjord. The vessel was towed to Skjærhalden.

Type of Claim Possible salvage type claim

Roose + Partners

NEW CASUALTIES - Continued - edition 164



Mersey Fisher ▣

Product tanker, IMO 9170420, Built 1998, 4,765 dwt

Date of Casualty 11 May 2016

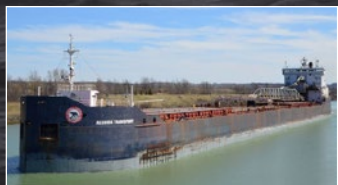
Voyage Inverness to Immingham, UK

Cargo In ballast

Type of Casualty Suffered mechanical issues and anchored off Buckie to enable the crew to effect repairs. The crew were unable to repair the vessel and a tug was contracted to tow the vessel to Invergordon.

Type of Claim Commercial towage

P&I Shipowners



Algoma Transport ▣

Bulk carrier, IMO 7711737, Built 1979, 34,066 dwt

Date of Casualty 13 May 2016

Voyage Montreal, Canada to Burnis Harbor, USA

Cargo No details

Type of Casualty Suffered a blackout and touched the bottom on Lake Saint-Pierre 3 nm from Yamachiche. The vessel refloated and anchored for damage assessment.

Type of Claim Possible hull damage

P&I North of England

Omskiy 135

General cargo vessel, IMO 8881723, Built 1988, 3,095 dwt

Date of Casualty 12 May 2015

Voyage St Petersburg, Russia to Husum, Germany

Cargo 2,534 m³ of wood products

Type of Casualty Ran aground on the Volgo-Balt Canal. The vessel was refloated and returned to St Petersburg.

Type of Claim Possible hull damage and salvage claim and/or General Average declaration

P&I Standard Club



Volgo-Don 5050 ▣

General cargo vessel, IMO 8874926, Built 1975, 5,150 dwt

Date of Casualty 13 May 2016

Voyage St Petersburg to Nizhniy Novgorod, Russia

Cargo Gravel

Type of Casualty Grounded on the River Volga.

Type of Claim Possible hull damage and salvage type claim

P&I Standard Club



Madares ▣

General cargo with container capacity, IMO 7803530, Built 1978, 2,262 dwt

Date of Casualty 13 May 2016

Voyage Aliveri to Volos, Greece

Cargo No details

Type of Casualty The vessel allided with the old Chalkis Bridge on Euboia Island, Greece. Both the vessel and bridge suffered damage. Click [here](#) for video.

Type of Claim Allision damage claim

Zhedaiyu 11307

Fishing vessel, MMSI 412427507, No other details

Date of Casualty 13 May 2016



Type of Casualty Thought to have sunk off Zhoushan, East China sea with the loss of her 17 crew.

Type of Claim Total loss and loss of life claims

Sveti Stefan II ▣

Passenger ro-ro, IMO 7320332, Built 1973, 1,213 dwt

Date of Casualty 14 May 2016

Type of Casualty Allided with the berth whilst mooring at Kotor Port, Montenegro. The vessel, which had 270 tourists on board, suffered damage to her stern ramp.

Type of Claim Allision damage claim

P&I Shipowners Club



Lunamar ▣

General cargo with container capacity, IMO 9472024, Built 2009, 4,193 dwt

Date of Casualty 14 May 2016

Voyage Wismar to Stralsund, Germany

Cargo No details

Type of Casualty Ran aground on the approach to Stralsund, Germany in the Baltic sea. The vessel was refloated by a tug and towed into Stralsund.

Type of Claim Possible hull damage and salvage type claim

P&I Skuld



Vinlandia/Chrysanthi ▣

Vinlandia - Chemical tanker, IMO 7800100, Built 1979, 3,847 dwt

Chrysanthi - Motor yacht, no other details

Date of Casualty 14 May 2016

Voyage Fos, France to Kiato, Greece

Cargo No details

Type of Casualty The yacht collided with the chemical tanker which was docked in Kiato. Both vessels suffered damage.

Type of Claim Collision damage claim

P&I RaetsMarine BV / n/a



To Callisto ▣

Ferry, IMO 5416553, Built 1963, 66 dwt

Date of Casualty 15 May 2016

Type of Casualty Collided with the pleasure craft Cyclades Sun and Astarte in Parika Port, Paros, Greece causing significant damage to the craft.

Type of Claim Collision damage claims

CASUALTY FOLLOW-UP



New Mykonos ▣ - editions 153, 154 & 155

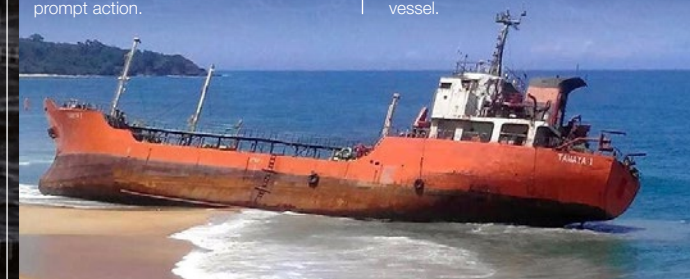
The bulkcarrier which ran aground on 29 January at the southern tip of Madagascar sank on 13 May with 160,000 tons of coal still on board. The bunkers from the vessel had been removed but inclement weather has hampered salvage efforts and caused progressive damage to the extent that the vessel finally sank. Owners are required to take steps to remove the wreck and its cargo and it is likely the operation will be conducted later in the year when weather conditions are more favourable.



Safmarine Meru ▣ - edition 163 - the owners of the containership have declared General Average and have appointed Richards Hogg Lindley to collect GA security from the owners/insurers of the cargo and containers on board the vessel. The vessel was sailing on a Maersk Line trans-Pacific service that plys the US Gulf Coast-Asia route.

Spirit of 1770 - edition 163 - reports suggest that attempts will be made to salvage the tourist boat which sank off the coast of Queensland last week following an engine room fire which got out of control. In the meantime the owner of the fishing vessel which rescued the tourists from the life-rafts despite the rough has been praised by local authorities for his prompt action.

Tamaya 1 ▣ - edition 163 - a lifeboat from the abandoned bulk carrier has been located some 200 km down the Liberian coast near the port City of Buchanan. The vessel is under police guard after episodes of attempted looting. A Nigerian national Robert M. Saigba has claimed ownership of the vessel. He claims to be one of two shareholders in the company H. Matic's Resources Limited based in Bayelsa State in Nigeria which is engaged in the supply of petroleum products, marine logistics, haulage, civil engineering and general contractual services. The alleged owner attended Liberia with two men said to be part of the crew of the vessel and reported that after the vessel developed a technical fault and began leaking it was abandoned and the crew were picked up by a fishing vessel.



Access all our previous casualty newsletters here

