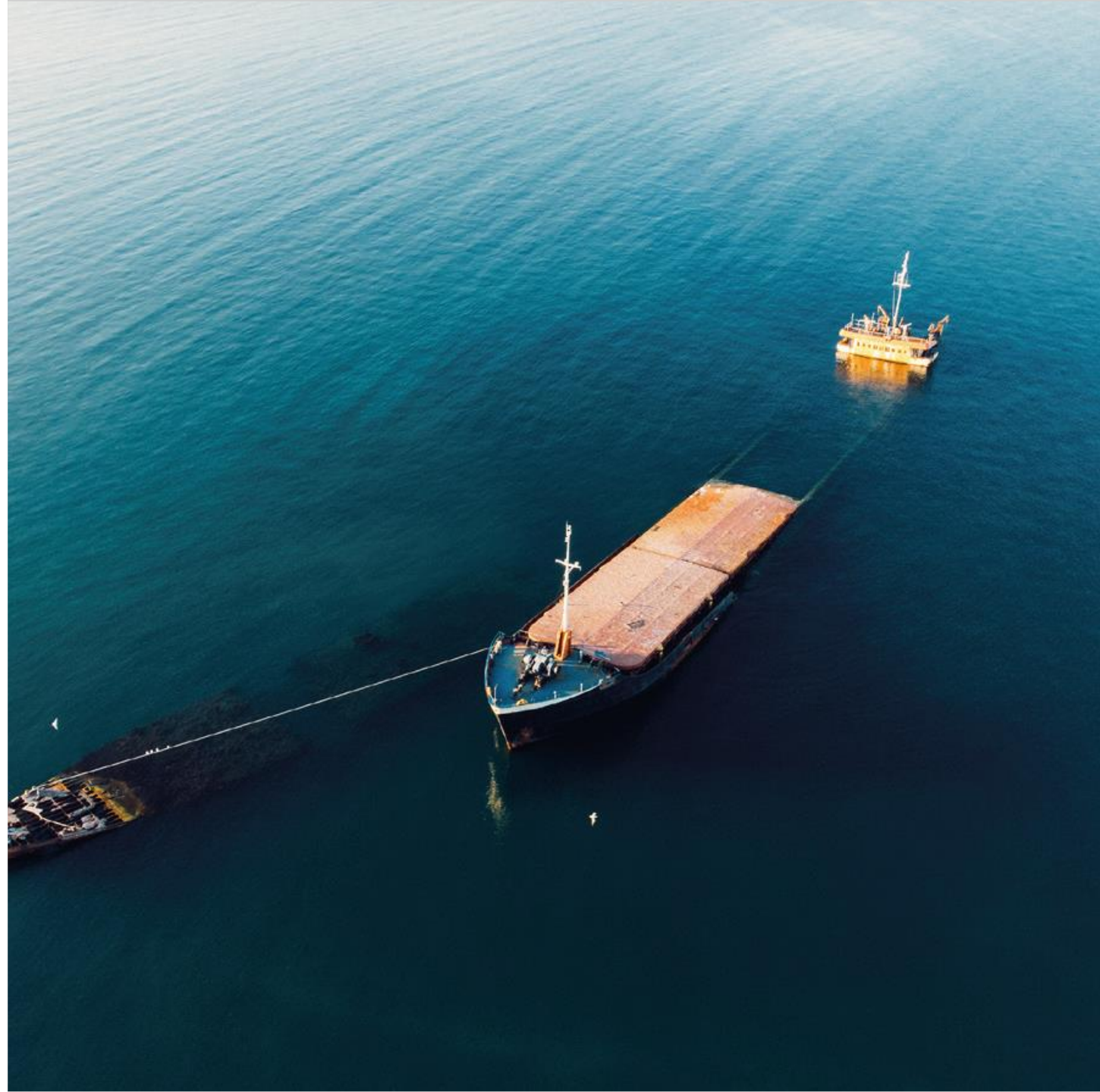




Safety and Shipping Review 2024

An annual review of trends and developments
in shipping losses and safety



Safety and Shipping Review 2024 in numbers

Executive summary

Total losses by top 10 regions in 2014-2023 and 2023

729
total losses in 10 years

26
total losses in 2023

70%
decline over a decade

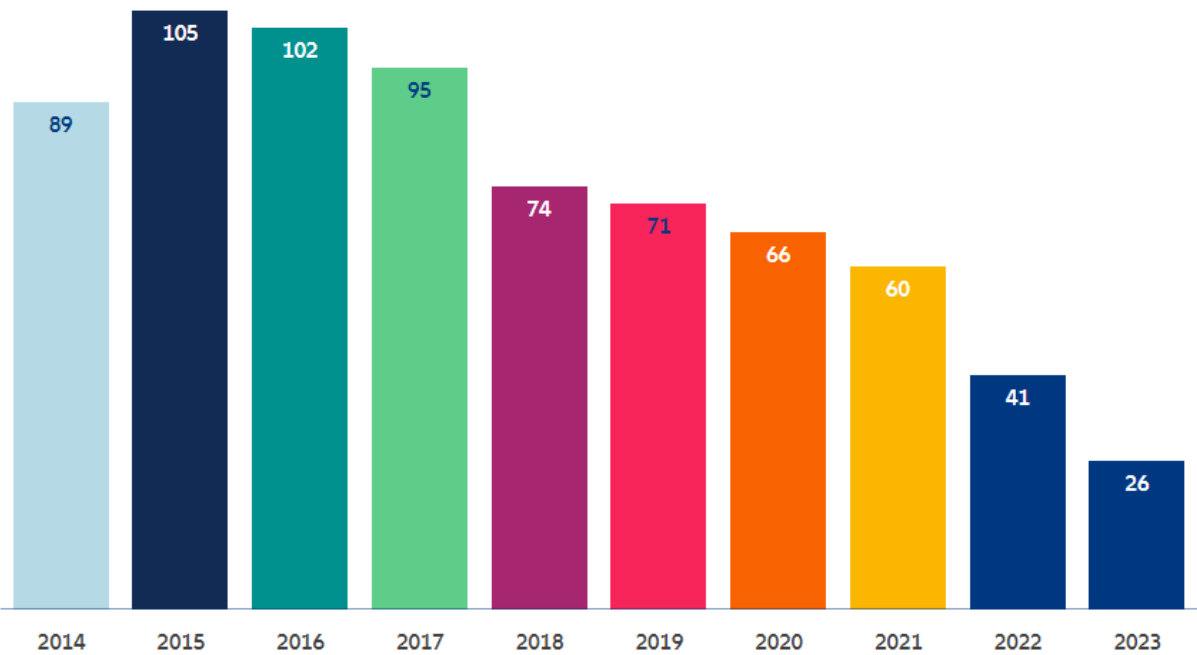


Losses in focus

Losses in focus

The shipping industry has made significant improvements when it comes to maritime safety in recent years. During the 1990s the global fleet was losing 200+ vessels a year. This total had halved by 10 years ago and is now down to a record low of 26 as of the end of 2023. Vessels over 100GT only.

Total losses by year



Source: Lloyd's List Intelligence Casualty Statistics
Data Analysis & Graphic: Allianz Commercial

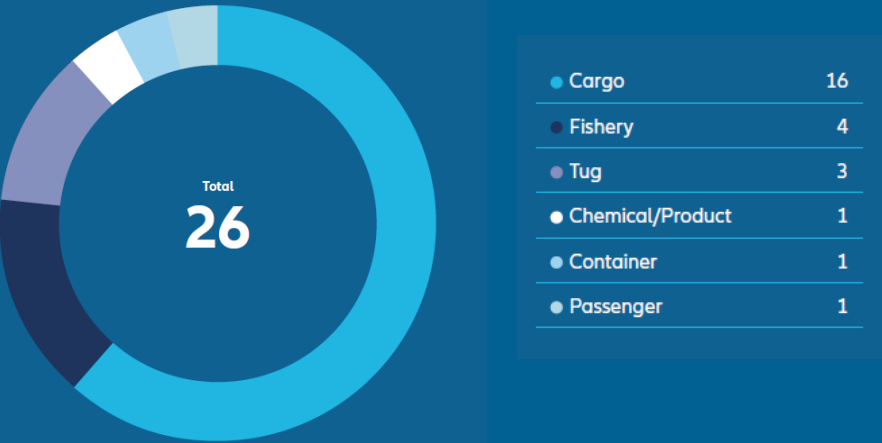
Losses in focus

- Thirty years ago, the global shipping fleet lost around 200 large vessels a year. This total fell to a record low of 26 in 2023, a decline of more than one third year-on-year and by 70% over the past decade.
- The South China, Indochina, Indonesia and the Philippines maritime region is the global loss hotspot, both over the past year (8) and decade (184).
- Cargo ships accounted for over 60% of vessels lost globally in 2023. Foundered (sunk) was the main cause of all total losses, accounting for 50%. Extreme weather was reported as being a factor in at least 8 vessel losses around the world in 2023, with the final total likely higher.
- The number of shipping incidents reported globally declined slightly last year (2,951 compared to 3,036), with the British Isles seeing the highest number (695).
- Fires onboard vessels – a perennial concern – also declined. However, there have still been 55 total losses in the past five years, and over 200 fire incidents reported during 2023 alone (205) – the second highest total for a decade after 2022.



Losses in focus

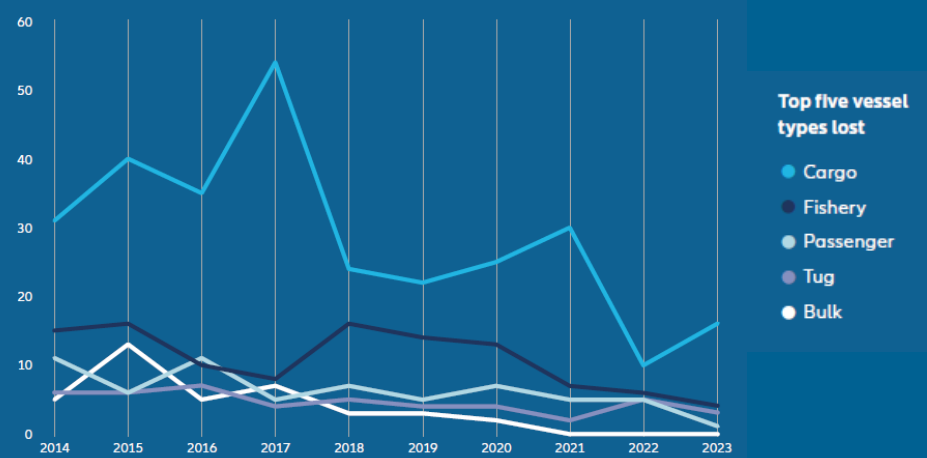
Total losses by type of vessel 2023
January 1, 2023 to December 31, 2023. Vessels over 100GT only



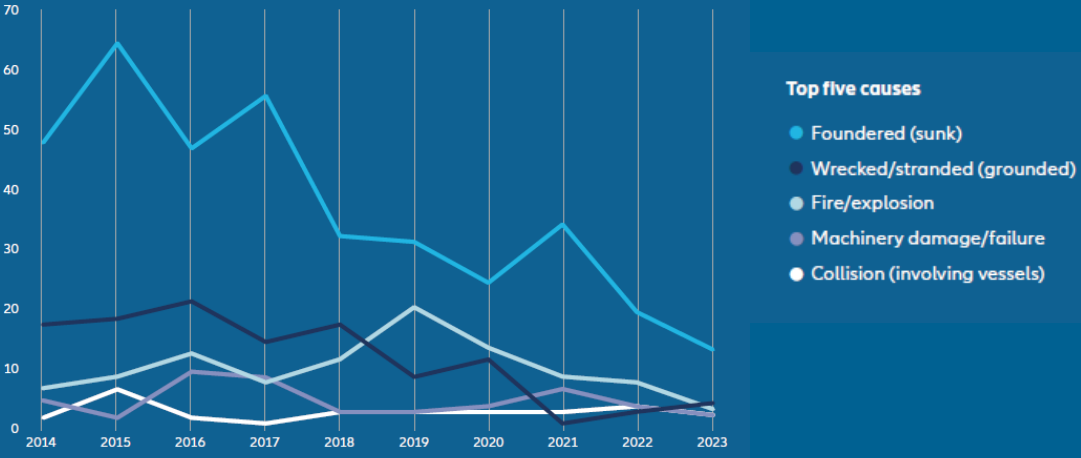
Total losses by cause 2023
From January 1, 2023 to December 31, 2023. Vessels over 100GT only



Total losses by type of vessel 2014 – 2023
From January 1, 2014 to December 31, 2023. Vessels over 100GT only



Total losses by cause 2014 – 2023
From January 1, 2014 to December 31, 2023. Vessels over 100GT only



Losses in focus

2023 review: Total losses by top 10 regions

From January 1, 2023 to December 31, 2023

*Vessels over 100GT only

Region	Loss	Annual change
S.China, Indochina, Indonesia and Philippines	8	-2
East Mediterranean and Black Sea	6	+2
British Isles, N.Sea, Eng. Channel and Bay of Biscay	3	-
Japan, Korea and North China	3	+3
Baltic	2	-
Iceland and Northern Norway	1	-
Indian Ocean	1	+1
North American West Coast	1	+1
S.Atlantic and East Coast S.America	1	+1
Total	26	-15

2014 – 2023 review: Total losses by top 10 regions

From January 1, 2014 to December 31, 2023

*Vessels over 100GT only

Region	Loss
S.China, Indochina, Indonesia and Philippines	184
East Mediterranean and Black Sea	115
Japan, Korea and North China	62
British Isles, N.Sea, Eng. Channel and Bay of Biscay	54
Arabian Gulf and approaches	38
West Mediterranean	29
West African Coast	26
S.Atlantic and East Coast S.America	23
Bay of Bengal	22
West Indies	18
Other	158
Total	729

Losses in focus

All casualties/incidents (including total losses)

2023 review

From January 1, 2023 to December 31, 2023. Vessels over 100GT only

Top 10 regions	Loss	Annual change
British Isles, N.Sea, Eng. Channel and Bay of Biscay	695	+17
East Mediterranean and Black Sea	635	+53
S.China, Indochina, Indonesia and Philippines	239	-4
Great Lakes	155	-32
North American West Coast	146	-3
Baltic	142	+24
Iceland and Northern Norway	127	-11
West Mediterranean	127	-64
Japan, Korea and North China	97	+9
Newfoundland	90	-17
Other	498	
Total	2,951	-85

2014 – 2023 review

From January 1, 2014 to December 31, 2023. Vessels over 100GT only

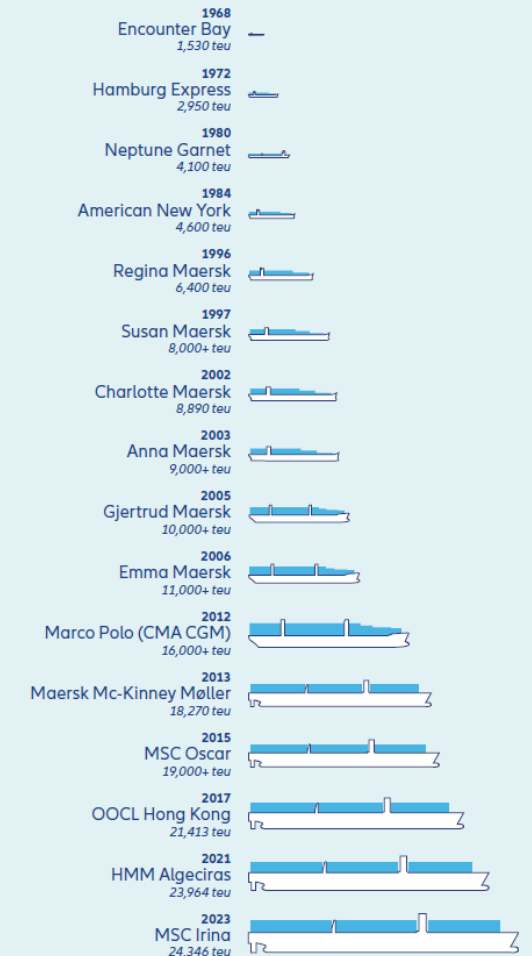
Top 10 regions	Loss
British Isles, N.Sea, Eng. Channel and Bay of Biscay	5,279
East Mediterranean and Black Sea	5,114
S.China, Indochina, Indonesia and Philippines	2,580
Great Lakes	1,555
Baltic	1,406
West Mediterranean	1,263
North American West Coast	1,240
Japan, Korea and North China	1,171
Iceland and Northern Norway	1,143
Newfoundland	908
Other	6,162
Total	27,821

Trends: Outlook

Ship size and blackouts in the spotlight after Baltimore bridge collapse

- The tragic collapse of Baltimore's Francis Scott Key Bridge in the US after it was hit by a container ship, the *Dali*, made headlines around the world. While such incidents are thankfully rare, the fact that ships are getting bigger can make a number of different events more complicated when accidents do occur.
- While the number of serious shipping accidents worldwide has declined over the long-term, incidents involving large vessels – namely container ships and roll-on roll-off (Ro-ro) car carriers – are resulting in disproportionately high losses from events such as fires, container and carrier losses, hazardous cargo, more complex salvage operations and expensive repair costs, and issues with ports of refuge.

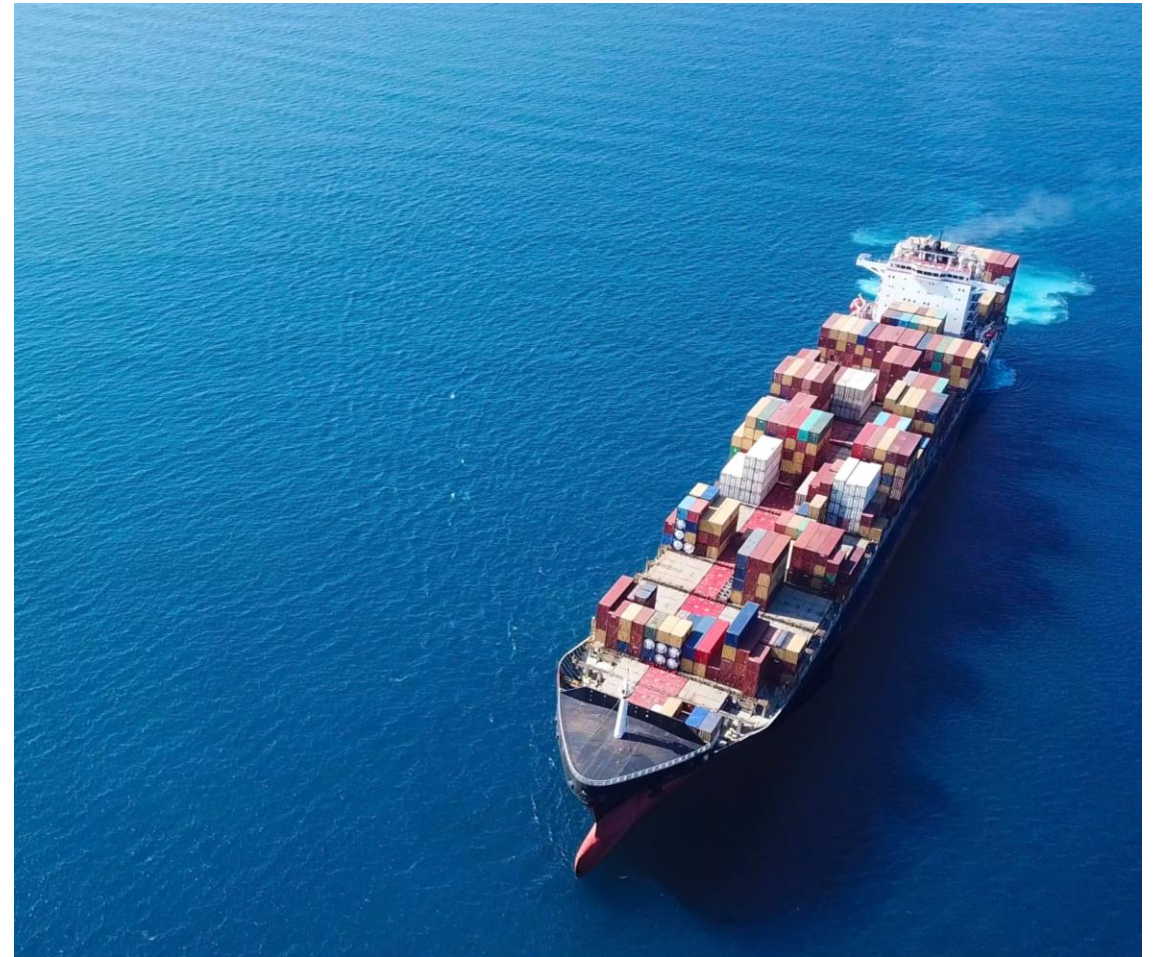
50 years of container ship growth



Increase in size of ships in graphic is not to scale
 Approximate ship capacity data: Container-transportation.com; Allianz Commercial. Source: Allianz Commercial

Trends: Outlook

- The shipping industry is increasingly subject to **growing volatility and uncertainties** from war and geopolitical events, climate change risks, such as drought in the Panama Canal, and the resurgence of piracy.
- The effects on the **safety and wellbeing of crew**, the new risks posed by **technology** including the prospect of more cyber-attacks, GPS interference, and drone strikes, the threat the rise of the **'shadow fleet'** poses to vessels and the environment, and the multifaceted impacts of **rerouting** are among the major consequences.



Navigating troubled waters – global shipping caught in proxy war

- Recent incidents in the wake of the conflict in Gaza have demonstrated the increasing vulnerability of global shipping to proxy wars and disputes. By May 2024, more than 100 ships in the Red Sea have been targeted by Houthi militants.
- One of the biggest concerns is the safety and wellbeing of seafarers. This latest crisis heaps further distress on crews that are already feeling the effects of the Covid-19 pandemic and the war in Ukraine and is likely to exacerbate the industry's skills and talent shortage, during a time when it faces significant decarbonization and tech challenges.
- Disruption has persisted for longer than expected and is likely to remain for the foreseeable future. Ultimately, shipping has become a ripe target for terrorists or militia groups to gain recognition and hit global markets.



Rerouting brings risks and environmental challenges

- Attacks against shipping in the Red Sea and Middle East waters, together with the drought in the Panama Canal, have amounted to a “double strike” for shipping, causing yet more disruption for global supply chains, as well as significantly adding to the distance's vessels must sail.
- Rerouting impacts the risk landscape and the environment. Rough seas can be more challenging for smaller vessels used to sailing coastal waters, while the infrastructure to support an incident involving a large vessel may not be available. Vessels may increase speed to cover longer distances meaning environmental gains are lost.



Drought conditions have severely cut capacity in the Panama Canal

Typical daily slots

36

February 2024

18

June 2024 (expected)

32

At the start of 2024, transits in the Panama canal were down by more than

49%



At the start of 2024, transits in the Suez canal were down by more than

42%

586

Container vessels had been rerouted around the Cape of Good Hope by the first half of February 2024 adding

10 days

sailing time to each trip

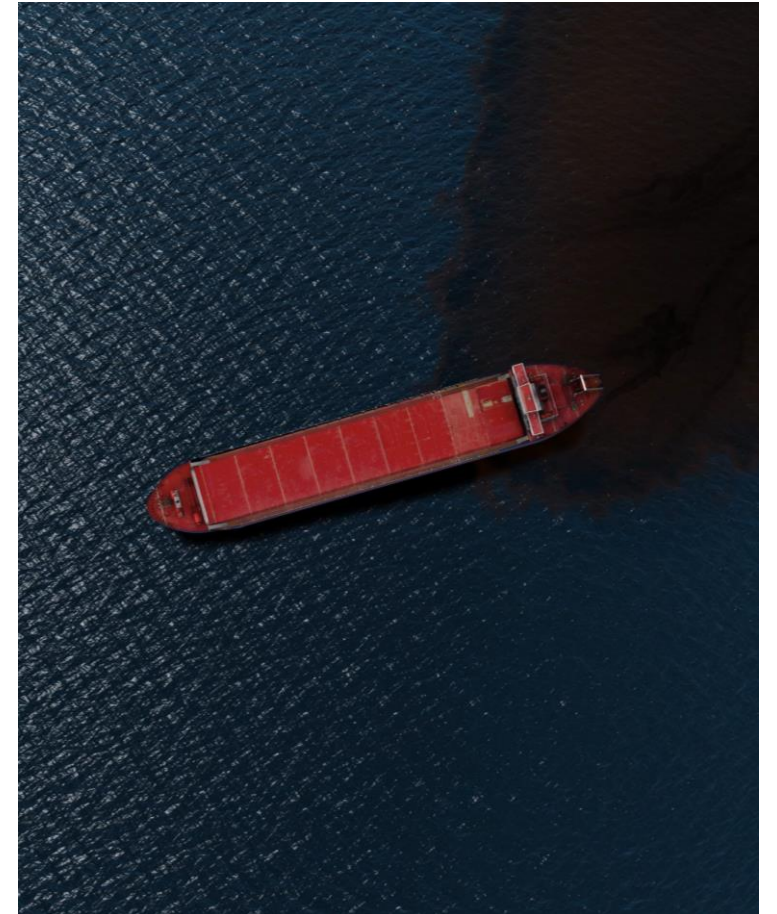
Climate change and geopolitical risks boost Polar shipping



- The number of vessels sailing in Arctic waters continues to rise with growing commercial interest in the region and climate change.
- The decrease in the extent of sea ice and the loss of older, thick ice, has significant implications for longer navigation seasons and new access to previously difficult to reach regions of the Arctic.
- The challenging Arctic environment brings a higher risk to vessels, crew and the environment. The region's remoteness means limited access to infrastructure if a vessel runs into problems. A cruise ship that ran aground in 2023 had to wait days before it could be towed away.

Russia war in Ukraine: 'shadow fleet' poses risk to vessels and environment

- A gradual tightening of international sanctions on Russian oil and gas exports over the past two years since its invasion of Ukraine has resulted in the emergence of a sizable 'shadow fleet' of tankers, mostly older vessels that operate outside international regulation and often without proper insurance.
- Shadow fleet vessels pose a danger to other vessels and the marine environment, while potentially evading liability under relevant liability and compensation treaties. They are mostly older ships, many operating past their traditional lifespans, with ownership unclear. It is likely they are poorly maintained and may not have undergone appropriate surveys or inspections.
- Shadow fleet vessels have been involved in at least 50 incidents to date, including fires, collisions and oil spills.



Age of electrification adding to fire hazard concerns

- There were more than 200 fire incidents (205) reported on board vessels over 100 gross tonnage (GT) during 2023, the second year in a row that this total has been exceeded – after a decade high 211 in 2022.
- Electrical faults and older vehicles remain a problem. A small fire in a car can get out of control quickly, and once it takes hold it can be difficult to manage. The addition of an increasing number of electric vehicles being transported on vessels to the mix has only made the situation more challenging to manage.



Mis-declared cargo and container ship issues continue



- Fire is a major cause of loss for large container ships. As container ships have increased in size, the adequacy of firefighting capabilities is still a concern. A fire in a container can quickly take hold and blaze out of control, resulting in the abandoning of the vessel by the crew, which exacerbates the loss situation.
- As with Ro-ro vessels, the exact cause of many container ship fires is uncertain, although mis-declared hazardous goods, such as chemicals, batteries, and charcoal, are often a contributing factor.

Thank you!

