



Cargo stowage failures on the rise off South Africa

Many ships are avoiding the Red Sea by sailing around South Africa exposing them to unforgiving seas around the Cape. With several incidents of cargo stowage failure and container losses in the region recently there are fears of more to come.

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The last few months of the southern hemisphere winter have seen some severe weather conditions off the Cape of Good Hope, and we have seen several incidents occurring. The area has a reputation for stormy confused seas, large swells and rogue waves, which pose extra risks for ships and their crews. Sadly, there have been recent fatalities among crew working on deck and who have been struck by waves in heavy weather off the Cape.

Cargo stows on container, bulk, vehicle and general cargo vessels are particularly vulnerable to more extreme rolling and pitching. Stowage failures can lead to more than cargo damage - they can lead to structural damage, fires and may also cause the ship to list, compromising stability and potentially disabling the ship.

Cargo that falls overboard can also endanger other vessels at sea and there is inevitably an environmental impact from cargo that sinks or ends up washing ashore as debris. Gard has seen clean-up costs in several cases running into many millions of dollars and particularly if <u>plastic nurdles</u> are involved.

Recent container incidents

A few larger cases concerning high numbers of containers lost overboard have been reported in media. The South African Maritime Safety Authority (SAMSA) has reported that within just eight weeks during July and August this year, <u>close to 200 shipping containers</u> were lost in the region. Additional cases have been reported to Gard in more recent weeks.

What this shows is that the massive rerouting around South Africa comes with its own set of risks. Put simply, vessels spend more time at sea with more exposure to difficult weather – and we are now starting to see the consequences.

The World Shipping Council (WSC) recently published its 2024 update on containers lost at sea, and it brought welcome news: out of the 250 million containers transported in 2023, only 221 were lost at sea, according to their survey. This is a considerable improvement compared to previous years, when the average was 1063 containers lost per year over the last three years. However, given the developments mentioned above, it seems unlikely that this positive trend will continue. With the 'new normal' of more ships sailing around the Cape to avoid the Red Sea, there will likely be an uptick in the numbers of containers lost at sea, both in 2024 and possibly for some time to come.

Other concerns

Capacity and freight price pressures in some segments can result in cargoes being carried on ships they are not principally designed for. During the Covid-19 pandemic and the following container market boom, many containers were being loaded on bulk carriers and general cargo ships . In one Gard case bad stowage/ securing resulted in a stack collapse in the hold which resulted in a fire due to damage to containerized lithium-ion battery energy storage systems. Fortunately, the fire was brought under control, but the cargo claim exceeded USD10 million dollars.

Due to the boom in the car carrier market, we have seen inventively mixed stows with high and heavy vehicles stowed on top of steel or other cargoes. Such arrangements may constitute to be an alteration of risk for both P&I and H&M cover. Members should contact their underwriter to determine if the intended operation will have implication of the insurance cover.

As Gard warned in a <u>previous article</u>, it is also worth noting that in case of a major casualty outside South Africa, there are very few ports in the area that have the necessary scale and infrastructure to accommodate the largest container ships. This means that if something goes wrong, a ship in distress will have very few alternatives if a port of refuge is needed.

Recommendations

The vessel's Safety Management System will set out procedures and measures to be taken in preparation for the extra risks posed by heavy weather. Lashings may need checking as they may have slackened during the voyage. However, it is important that such checks are done in good time and safe conditions. If a stow failure does occur it may also be unsafe to send the crew into cargo areas to try and re-secure it until safer conditions permit.

Approaching heavy weather, the crew also needs to be mindful of more than the cargo. There have been <u>high profile instances</u> of a complete engine blackout caused by low engine lubrication oil pressure. Heavy seas can cause movements in the lubrication oil tanks so large that the supply to the lubricating oil pumps stops. That can trigger an alarm indicating a low level of lubrication oil, which in turn can causes an automatic shutdown of the engines. This can the put ships in an extremely vulnerable position and if the vessel is exposed to extreme rolling from beam on seas, the forces may exceed design strengths leading to lashing failures. If the crew are unable to take timely steps onboard to avoid a more perilous situation, seeking external assistance should not be delayed to gain early control of the situation.

It should also be borne in mind that, with more extreme and sudden weather events being experienced in recent times, and with Red Sea diversions around the Cape set to continue, it is a good investment to refresh and update the skills of navigators onboard in storm avoidance, weather analysis, and routing strategies.

Positive developments ahead

The container carrier industry is working continuously to improve safety measures and reduce losses. The <u>MARIN TopTier</u> project is a prime example, and IMO is also working on the matter. In September, Gard together with industry partners took part in the IMO <u>Sub-Committee on Carriage of Cargoes and Containers</u> (CCC), where measures to prevent the loss of containers at sea was on the agenda.

From January 2026, mandatory reporting of containers lost at sea is expected to apply. This amendment to the SOLAS convention will make it mandatory for Masters to report loss of containers to the nearest costal state and to the vessel's flag state administration. This is a significate step forward, and hopefully, it can lead to more accurate numbers on containers lost at sea, as the data will be based on regulated reporting as opposed to surveys and estimates.

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