

Eldib Pandi Update on Suez Canal Blockage re MV EVER GIVEN

We have had several queries rolling in since the grounding incident related to the impalement of M/V “EVER GIVEN” at the banks of the Suez Canal. Therefore, we have put together some brief advice on the latest update and all relevant information:

Currently, all attempts made to refloat the vessel have not been successful, as the bulbous bow of the vessel has been impaled in the Canal’s bank and the vessel is grounded on the southern entrance of the canal (KM153) blocking the channel, and thus, the northern and southern convoys have been suspended accordingly.

For the time being, dredgers have been mobilized to dredge around the vessel to give her buoyancy. Unfortunately, nobody will be able to give any information on when the vessel will be refloated and the canal’s activity to return to normal. All we can say is that at least 10 tugs assisting the vessel.

As for liabilities and even though Egypt is contracting party of LLMC Convention 76, we wish to advise that the only applicable rules will be the Suez Canal Rules of Navigations where article No.4 provided for that:

“Art. 4 – Responsibilities:

1. *When on Canal or at its Ports or Roads, any vessel or floating units of any description is responsible for any damage and consequential loss it may cause either directly or indirectly to herself or to Canal Authority (CA) properties or personnel or to third party.*
2. *The vessels or floating units’ owners and/or operators are responsible without option to release themselves from responsibility by limited liability.*
3. *The words (Owners and/or Operators) for the purpose of the present article, shall be considered to mean person/persons or corporate body responsible for the vessel at the time of navigational accident or incident.*
4. *Moreover, the vessel guarantees to indemnify the CA in respect of any claim against the latter by reason of any damage, whatsoever she may cause either directly or indirectly to third party.*
5. *The vessel waives the right to claim on the SCA for any damages caused by third party that she may sustain while on Canal.”*



Therefore, the rules are quite clear that the vessel is responsible for any damage and consequential loss it may cause either directly or indirectly to herself or to CA properties or personnel or to third party and the vessel's owners are responsible without option to release themselves from responsibility by limited liability.

It is also worth mentioning that the abovementioned limitation of liability or lack thereof is applicable to the claims of the SCA only and not claims made by third parties.

Now for the vessels delayed waiting to transit the Suez Canal, the vessels can claim back their paid passage money, only if the vessel is still in the waiting area. However, the vessels that joined the designated area for transit are not entitled to claim for the paid passage money. We wish to further point out that any claim for re-imburement shall be made via the transit agents by applying before the SCA for a cancellation of the transit request where the toll fees shall be re-imbursed in full provided the vessel is still in the waiting area.

With that being said, the Suez Canal's traffic remains suspended with no new or projected changes. We can confirm that any previous information circulating regarding vessel being partially refloated is incorrect. Also, news suggesting that 'a historic canal' is being used to surpass the grounded vessel, are also incorrect.

Like everyone else monitoring the situation, we hope the Canal will be back to "business as usual" soon but at this time, we cannot give an estimation on the number of hours or days it will take to resume navigation in the Suez Canal. Fingers crossed the buildup does not affect trade any further and we will not fail to keep you posted once we get any updates.

We only share information confirmed and checked by our own people on the ground in the Suez Canal through our Suez and Port Said offices. In this respect, we will be in touch as the matter develops and as soon as we have better understanding of what might be required.