

Press Release



FOR IMMEDIATE RELEASE

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Shipping industry faces its “Deepwater Horizon moment”

The shipping industry has been warned by a leading maritime lawyer that it may soon face its “Deepwater Horizon moment” in the event of a mega containership casualty.

Speaking at a Maritime London lunchtime function yesterday (11 January), Holman Fenwick Willan partner Andrew Chamberlain said that the consequences of a serious incident involving one of the larger containerships “may well result in a complete change in the accepted liability regimes and even the traditionally accepted insurance arrangements for such large vessels.”

Recent high profile container ship casualties have involved relatively small vessels capable of carrying up to 4688 containers (*MSC Napoli*). The *Rena*, which is currently breaking up off the coast of New Zealand, has a capacity of 3352 containers. By comparison, the largest vessels sailing today are carrying over 15000 boxes.

He told the audience of salvors, insurers, shipowners and other maritime professionals that in the event of the loss of the largest class of containership, the epic scale of the incident would mean that the salvage industry would struggle to deal with the removal of the containers and wreckage. He warned that the salvage industry had limited and ageing resources, was increasingly risk averse and today consisted of only around four or five companies with a genuine global capability.

He noted that the legal environment for dealing with these types of incidents was becoming increasingly demanding with rising claims, disproportionately high clean-up costs and the near impossibility of disposing or recycling of a wreck thanks to the restrictive legal regime now imposed by the 1996 Protocol to the London Dumping Convention and the OSPAR Convention, combined with the absence of suitable recycling facilities.

He added:

“The industry is facing the perfect storm. We have a global recession, high cargo values (relative to ship values), ever larger and untested ships, environmental concerns and increasing public and government awareness of the impact of shipping incidents. Since the *Napoli* in 2007 any marine casualty is much more likely to be on the front page of every newspaper.”

Copies of Andrew's presentation are available on request from Tania Phayre at tania.phayre@hfw.com

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Notes to editors

Andrew Chamberlain is a partner in Holman Fenwick Willan’s Admiralty and Crisis Management team, specialising in “wet” shipping cases including salvage, collisions, fire and explosion, total loss and wreck removal. He has dealt with numerous high profile shipping cases including the Sea Empress, MSC Napoli and MSC Chitra. He has been with Holman Fenwick Willan since 1994 and was made a partner in 2003.

His photo can be downloaded from <http://bit.ly/yF2Zyy>

Maritime London is a not for profit promotional body for UK based companies which provide professional services to the international shipping industry and organizes regular meetings and trade promotional events.

Its role is to:

- maintain and enhance the UK's position as the world's premier maritime centre
- promote all UK maritime interests, working as necessary with other bodies and organisations
- encourage inward location of foreign maritime interests

See www.maritimelondon.com for further details.