News Journalist of the Year 2024
Winning Submission

Mike Wackett

‘Mass-casualty incident’ as Maersk box ship destroys Baltimore bridge

By Mike Wackett

26/03/2024

A 2M Alliance container vessel with two pilots onboard crashed into a support pylon of the Francis Scott Key Bridge in Baltimore, Maryland, in the early hours of this morning, demolishing the 1.6 mile bridge and plunging at least 20 people into the Patapsco River.

Authorities described the collision as a “mass-casualty incident” and said emergency services were still searching the river for seven people.

You can see the bridge collapsing here on YouTube.

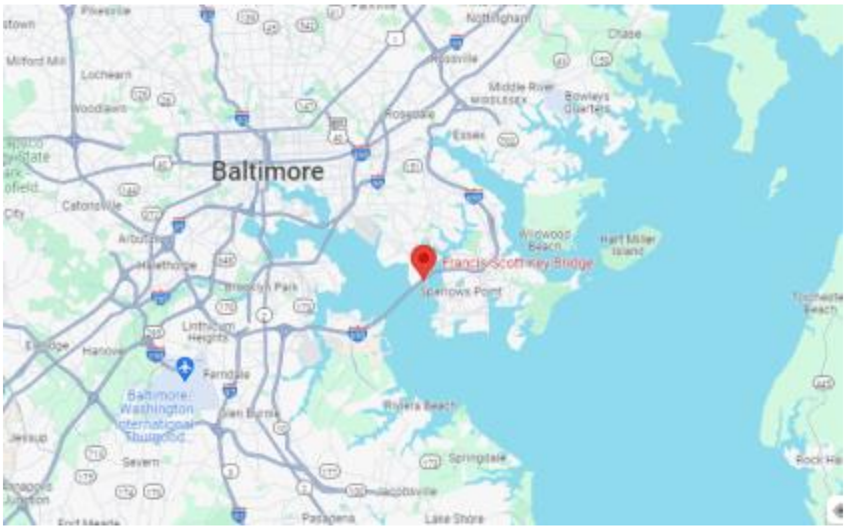
The 2015-built 9,962 teu *Dali* was less than 30 minutes into its backhaul voyage to Asia, after completing two days of cargo operations at the Seagirt Marine Terminal, when the incident happened.

According to *eeSea* data, the vessel is deployed on Maersk’s Asia-US east coast TP12 loop and MSC’s Empire service, with the 2M partners also having a slot charter agreement with Zim which the Israeli carrier has dubbed its ZBA service.

Marine claims consultant, WK Webster, warned Maersk’s customers that delays or loss would be inevitable.

“There is likely to be significant cargo loss and damage as a result of this very serious incident, including to a number of containers which are reported to be hanging from the bridge. It also seems almost certain that the vessel will not be proceeding with the voyage in the near future resulting in serious delays to all cargo on board.”

Vespucci Maritime’s Lars Jensen said the collapse of the bridge would effectively cut off the container terminals and its other cargo facilities.



Google maps

Baltimore handles around 21,000 teu a week, which will now have to be routed via other ports in the region.

"Additionally, this means that the cargo already gated into the Baltimore terminals would either have to wait an unknown period for the sealane to reopen, or be gated out and shifted to a different port," said Mr Jensen.

This is the second incident within 10 days of a large container vessel seemingly losing control of its steering.

On 16 March, the 2015-built 14,000 teu *YM Witness,* with pilots onboard and tugs in attendance, crashed into the quay while attempting to berth at Turkey's Evyapport, destroying three ship-to-shore gantry cranes.

Maersk said this morning: "We are horrified by what has happened in Baltimore, and our thoughts are with all of those affected.

"We can confirm that the container vessel *Dali*, operated by charter vessel company Synergy Group, is time-chartered by Maersk and is carrying Maersk customers' cargo. No Maersk crew and personnel were onboard.

"We are closely following the investigations conducted by authorities and Synergy, and we will do our utmost to keep our customers informed."

The *Dali*'s headhaul itinerary was via the Panama Canal, but the service is currently routed via the Cape of Good Hope on the backhaul voyage. Prior to Baltimore, the *Dali* called at New York and Norfolk, Virginia, with Colombo, Sri Lanka, the next scheduled call.

Maersk agreed a five-year extension to the vessel's time charter in April 2020 with Singapore-based shipowners Grace Ocean Investment with the daily hire rate not disclosed. However according to Vesselsvalue data Maersk was paying a rate of $40,600 per day for the five-year prior period.

According to the ship's manager, Synergy Marine Corp, there are no reports of any injuries to the *Dali*'s crew or the pilots as a result of the incident.

In July 2016 the ship was involved in a collision in the port of Antwerp during unmooring manoeuvres when leaving the berth in good weather, causing significant damage to the ship and the quay with the blame attributed to errors by the Master and pilot onboard.

This is a developing story, come back to theloadstar.com for more.

Ocean carriers ‘fire blanks’ ahead of China’s Golden Week holiday

By Mike Wackett

30/08/2024

Fearing another container spot rate crash, ocean carriers have blanked a number of export sailings from Asia to Europe and Asia to the US, prior to the Chinese national holiday in early October.

A carrier contact told *The Loadstar* this week he expected to see “many more” void sailings this year in the key soft-demand weeks of the slack season.

“We are determined not to get sucked into another rates war this year, and as long as the Red Sea diversions continue we think we will be ok,” said the contact.

Drewry’s latest blanked sailings assessment puts the notified cancellation rate in September for scheduled sailings on the transpacific, Asia-Europe and the transatlantic at 10% to date.

“Over the next five weeks, THE Alliance have announced 17 cancellations, followed by the Ocean and 2M alliances with 12 and 10 respectively,” said the consultant.

Drewry said 51% of the blanked sailings notified to date were on the transpacific, 28% on Asia-Europe and 21% on the transatlantic.

In shipper advisories, Maersk said it was “looking to balance the network in light of forecast reductions in demand”, while its 2M alliance partner, MSC, said it would adjust capacity in weeks 39 and 40, “due to an anticipated slowdown in demand”.

While spot rates from Asia to Europe and on the transpacific eastbound route have been declining steadily for several weeks, there is no evidence so far of heavy discounting by the major carriers that would cause freight rates to collapse.

Indeed, Drewry’s WCI Asia-North Europe component is still around 350% higher than 12 months ago, at $7,204 per 40ft, having declined 3% this week.

Nevertheless, *The Loadstar* sighted a short-term rate offer this week from Ningbo to Felixstowe of $5,000 per 40ft, valid for September, with another UK-based NVOCC advising that he had received an offer of $4,500 per 40ft from China to Southampton.

“We think there might be some further reductions to come as the alliances restructure,” he added.

Meanwhile, transpacific rates are also holding up well, with the WCI’s headhaul spot rate to the US west coast edging down by just 2% on the week, to $6,248 per 40ft, with US east coast rates down by the same percentage, tot $8,591 per 40ft.

Spot rates on the tradelane remain elevated however, up year-on-year by 180% and 150% respectively, for Asia to the US west and east coasts.

Notwithstanding carriers deploying their capacity management tools on the transpacific, the looming threat of a US east coast dock strike in October, as well as the roll-out of new import tariffs, should underpin rates on the trade, despite softer demand and the undercutting of rates by new, small entrants to the market.

Elsewhere, on the transatlantic westbound North Europe to US east coast route spot rates remained stable, at around $2,000 per 40ft, with exporters starting to run out of time to ship their goods ahead of potential industrial action at the east coast ports.

US east coast port strike would be a ‘spot rate lifeline’ for carriers

By Mike Wackett

19/08/2024

With each week that passes, the risk of a US east and Gulf coast dock strike is heightened; but ILA president Harold Daggett’s pledge that his union members will “hit the streets” on 1 October could be a silver lining for ocean carriers.

Carriers privately admit that supply chain disruption from that strike could be the antidote to a rates collapse in the final quarter of the year.

Container spot rates from Asia to the US east coast have settled at around $9,000 per 40ft, and from Asia to the US west coast around $6,000 per 40ft – some 150% and 170% higher than a year ago, respectively, so there is a long way to fall if demand weakens significantly.

Indeed, a carrier contact told *The Loadstar* recently that just the threat of a US east coast port strike had been the main driver of the recent rate surge on the transpacific, and an actual “full-blown strike” would “see us through the winter”.

Publicly, of course, carriers will say that they will do all they can to adjust their networks to mitigate the impact of potential industrial action – however, the uncertainty will underpin pricing.

An early peak season caused by nervous shippers front-loading holiday season products has left carriers exposed to the reality of overcapacity on the major tradelanes, despite the continued Red Sea disruption.

Some 3.2m teu of newbuild capacity will have been added to the fleet this year, on top of the 2.5m teu added in 2023. All of this has, until now, been soaked up by the front-loading demand rush and the knock-on effect of port congestion and subsequent container pool rollings.

Even allowing for the extra tonnage required to re-route ships around the Cape of Good Hope, most analysts were predicting a serious overcapacity situation to emerge earlier this year, given the sheer numbers of new ships hitting the water. However, as a result of an earlier-than-usual peak season, the issue now seems likely to impact carriers in the final quarter and into the first three months of 2025 – at the very time that there is a seismic change in the alliance make-up.

And it follows that weak demand is not the ideal time for carriers to test the loyalty of shippers who have seen short- and long-term contracts abused by the lines cashing in on the lucrative spot market.

Meanwhile, the same carrier contact told *The Loadstar* they had been “astounded” by the strength of demand in June and July on both the transpacific and Asia-Europe trades, and that it was “like the Covid period all over again”.

The fear now is that the early peak season may make the forthcoming traditional slack season weaker than normal, with the obvious consequences for freight rates.

Nevertheless, privately, carriers may be encouraged by the words of Mr Daggett, who stated: “We will not entertain any discussions about extending the current contract, nor are we interested in any help from outside agencies to interfere in our negotiations.”