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LEAD STORY
Hormuz uncertainty reigns as tolls, transit schemes and security remain in flux

WHAT TO WATCH
Marine insurers reprice Gulf war risk cover after ceasefire

More than 600 vessels still stuck in Middle East Gulf

Chinese state VLCCs inch towards Hormuz transit as Beijing pulls diplomatic strings

Iran unveils its own Hormuz traffic separation scheme

ANALYSIS
Historic product tanker rally in Atlantic is still in full swing

Sanctions stopping Iran paying into oil spill fund

Middle East port update: Thursday, April 9

MARKETS
Zhonggu's fleet expansion accelerates with feeder order at Wuhan yard

IN OTHER NEWS
Russia hits Ukrainian port of Izmail

Hormuz uncertainty reigns as tolls, transit schemes and security remain in flux

TWO days into a two-week ceasefire that promised to reopen the Strait of Hormuz, shipping traffic has decreased from the previous trickle of tonnage and contradictory political statements have left the industry paralysed by uncertainty.

Just three ships over 10,000 dwt, two of which were linked to Iran, had transited on Thursday morning as Tehran sought to consolidate its control of the critical energy chokepoint by imposing a new transit scheme. A further three Iran-linked vessels, including one sanctioned very large crude carrier, were seen on ship-tracking data transiting the strait on Thursday afternoon.

Tehran's efforts to formalise control over the waterway was backed up by threats of ship attacks and anti-ship mines for those not seeking clearance from the Islamic Revolutionary Guard Corps.

"Each tanker and vessel should make necessary arrangements with Iranian authorities to securely pass," Iran's deputy foreign minister Saeed Khatibzadeh said during a UK media appearance. There are "technical restraints" resulting from the conflict, such as mines, that require caution, he added.

On the water, tankers were repeatedly warned by Iranian VHF radio broadcasts that any ship trying to transit without permission "will be destroyed".

Meanwhile the formalisation of an IRGC-imposed toll structure for ships transiting the strait has continued to evolve over recent days, provoking a mixed response of political statements from industry and states.

An unverified Iranian broker memo circulating shipping security officials, and seen by Lloyd's List, indicates a 1-5 ranking system for countries is under development, according to which ships from countries friendly to Iran would receive better conditions.

For tankers, the base price in negotiations is usually around $1 per barrel of oil, and these amounts are paid in Chinese yuan or stablecoins that are pegged to the value of a real currency.

The official status of the toll system, however, remains unclear.

Hamid Hosseini, a spokesperson for Iran's Oil, Gas and Petrochemical Products Exporters' Union, told the Financial Times on Wednesday that Iran wanted to collect tolling fees from any tanker passing and to assess each ship.

However, on Thursday, Hosseini conceded in a response to Lloyd's List that the system had yet to get an official government stamp of approval.

According to Hosseini, the main aim of the toll is to generate revenue to repair infrastructure damage from the conflict rather than restricting vessel traffic.

"I don't think that Iran wants to stop any ship in Hormuz Strait — this is about costs and damages," he said in an emailed response. While most governments have condemned Iran's stated plans to impose tolls on international shipping, the US position remains less clear.

On Wednesday evening during the White House briefing, press secretary Karoline Leavitt confirmed the president could support a joint US-Iran venture that charges tolls for ships going through the Strait of Hormuz, but only after the conflict had concluded.

"It's an idea the president has floated, and it's something that will continue to be discussed over the course of the next two weeks," Leavitt confirmed. "But the immediate priority of the president is the reopening of the strait without any limitation whether in the form of toll or otherwise," she continued.

Given stringent sanctions on Iran and the IRGC, it was not immediately clear how companies could pay the toll without exposing themselves to sanctions risk. Moreover, any hypothetical Iranian-US venture would likely require a rollback of US sanctions — a demand that Tehran has presented as fundamental to any agreement with Washington regardless of any hypothetical joint scheme.

Depending on which authorities are to be rolled back, congressional authorisation may be required.

Dangerous precedent

Allowing any country to impose tolls for transiting the Strait of Hormuz would be entirely unacceptable under international law, according to the International Maritime Organization.

"There is no international agreement where tolls can be introduced in international straits. Imposing such a toll would set a dangerous precedent," IMO secretary-general Arsenio Dominguez told Lloyds List.

The UN Convention on the Law of the Seas outline the rules that govern straits used for international navigation and the IMO has repeatedly pointed out that there is no international agreement where tolls can be introduced for transiting international straits.

According to UNCLOS, ships enjoy the right of transit passage through international straits. States bordering straits shall not hamper that right or suspend the transit passage.

Both the IMO and industry shipowner representative bodies continue to work on an evolving series of draft plans to manage shipping traffic once the conflict recedes. Those plans, however, remain in draft form until more certainty over the ceasefire agreement is available.

The IMO's priority is the safe evacuation of all vessels and the estimated 20,000 seafarers trapped in the gulf.

IMO has developed a plan to resume the safe transit of ships, by using the existing mechanism in place, but with the existing Traffic Separation Scheme that has been in place since 1968 now blocked by Iran, the IMO plan remains on hold.

Similarly, an industry-led plan being coordinated by tanker owner representative body Intertanko, remains in draft form as a result of the

uncertain status of security in the strait. The plan, seen by Lloyd's List is for a post-conflict approach to manage safe navigation.

While the immediate priority is the support for the IMO's humanitarian escape plan, the Intertanko scheme is to manage increased traffic using the established TSS and without restriction on transits by Iran. As of Thursday, however, Iran's threat of anti-ship mines being deployed in the usual sailing routes through narrow strait have put that plan on hold.

WHAT TO WATCH

Marine insurers reprice Gulf war risk cover after ceasefire

MARINE war risk rates have softened in the wake of the ceasefire announcement earlier this week, although underwriters are still working things through while they watch how things pan out.

The fall has been particularly marked for potential purchasers of charterers' cover, although the picture is somewhat more mixed for shipowners buying standard hull policies.

Market sources report increased enquiry from the hundreds of vessels that have been trapped since the US and Israeli attack on Iran commenced in late February.

But it remains unclear how much has changed operationally. Israel is continuing military strikes on southern Lebanon, which could undermine the still-tentative cessation of the wider war, they pointed out. The upshot is that while plenty of ships obviously want to get out of the region, not many have actually done so, with shipping trade associations quick to downplay the idea of a swift return to normal.

According to Lloyd's List Intelligence data, as of Wednesday evening, just three ships had achieved successful departure. All had current or past links to Iran.

But this situation has been caused largely by vessel and crew safety concerns rather than inability to purchase any class of marine insurance, which has been commercially available throughout the hostilities, despite widespread media reports to the contrary.

Bespoke hull war risk

It is true that premiums on offer have risen many times over. But that is unsurprising, given that risk levels have also risen many times over. All hull war risk quotes are bespoke and dependent on multiple factors. While additional premiums — which ran high as 5.0%-10.0% of hull value per trip at the peak of the fighting — do seem to have fallen in the past couple of days, there is no consensus over what might constitute a new going rate.

According to one underwriter, the bracket runs from 2%-5%, with vessels with a perceived US, UK or Israeli nexus still finding it hard to get coverage at all.

But another underwriter assessed that range far lower, at 0.3%-0.5% for those benefiting from no-claims bonuses on earlier trips.

From a shipowner perspective, that still represents an outlay of hundreds of thousands of dollars — and perhaps millions of dollars for more valuable tonnage — for every individual voyage.

But in most cases, they will be able to recoup the bill from the charterer, depending on precise charterparty terms.

On top of that, they also face the prospect of having to pay the Iranian government millions of dollars per trip simply for exercising what should be their right to innocent passage through the Strait of Hormuz.

Meanwhile, rates for potential purchasers of charterers' liability cover — while still elevated from where they were in mid-February — have seen an instant deep drop, according to Matthew Bragger, an associate director at Wilson Europe.

Citing rates from an unnamed P&I club — which would probably be similar across the International Group — Bragger said that quotes were now at 0.0075% for Fujairah, 0.015% for the UAE and

0.3% for the Middle East Gulf. Moreover, prior approval from the lead underwriter is no longer required for individual Strait of Hormuz transits.

"For a ship transiting the strait, from my workings, a $50m limit would now cost $35,000, having been $250,000 last week," Bragger said.

It should be noted that this is still expensive. Charterers' cover was to be had for tens of thousands of dollars per year, rather than per week, prior to the crisis. It also covers a far narrower range of risks.

Underwriters can, of course, price as they see fit and the apparent differentials are probably down to significantly varying risk appetites, with insurers just as confused by the political prognosis as everybody else.

That impression is confirmed by Frédéric Denèfle, who is managing director of Garex, which writes hull war risk for such big names as Allianz, Axa, CCR Re, Generali, Helvetia, Mapfre and Scor.

The Paris-based consortium is almost certainly the biggest marine war risk underwriter in continental Europe.

"For [shipowners] under contract to perform their activities in the MEG, the immediate requirement is to lower the additional premiums for vessels remaining in the area," he said.

"But the situation is not so steady that war insurers feel confident that the risks are really reducing and therefore the matter is treated on a case-by-case basis, on the merit of each contractual relationship."

Broker Dominic Enderby of Lockton described the market as being in wait-and-see mode, although some stability might be in prospect as soon as the end of today. "It might take some time to assess whether the ceasefire will hold, but if it does, then we would expect rates to start to improve," he added.

Neil Roberts, head of marine and aviation at the Lloyd's Market Association, also sounded a note of caution. Only time will tell whether the latest understanding between Washington and Tehran will lead to lasting peace rather than a pause in the conflict, he noted.

"In the meantime, it is highly unlikely that trade into the MEG will simply resume. The region remains at heightened risk with none of the underlying tensions resolved," he went on.

"The losses already advised will be dealt with as normal and it can be expected that the ships previously unable to leave will now try to do so as soon as the owners and master deem it is safe to do so."

Move assets out

A Lloyd's underwriter confirmed that his firm has had enquiries from commercial tonnage and yachts hoping to take advantage of the ceasefire and move assets out of the MEG, and even a few from ships intending to enter it.

"It's still very early days and I suspect many operators will be preparing their vessels to leave but are assessing the situation, keeping a close eye on how things develop and whether the ceasefire means all vessels irrespective of nationality or domicile can leave," he noted.

Andrew James, managing director, marine at broker Gallagher, said: "The Gallagher team has been placing risks throughout the period of unrest and we expect increased numbers of vessels to travel given these developments. The cost will vary depending on the vessel type, cargo and routing."

His colleague Munro Anderson, who is director of marine strategy and operations at Gallagher-affiliated managing general agent Vessel Protect, highlighted the significant uncertainties that remain around the practical mechanics of transits through the strait.

While in most cases this will entail making use of the corridor approved by the Iranian government, some vessels are making use of other routings.

Although the approval process remains opaque and contentious, transit without Iranian approval presents a material risk, he commented.

The Iranian navy has warned that it will destroy any ships attempting to pass without permission. Iran is also demanding fees of around $2m for transits, even though they have no obvious right to do so under the law of sea, under a mechanism that has been dubbed "the Tehran tollbooth".

That presents legal complications, as a seminar organised by the Insurance Law Association of Singapore heard last week. Given ongoing sanctions against Iran, with many countries designating the Islamic Revolutionary Guard Corps a terrorist organisation, this is something of a grey area.

Simon Jackson, a partner at law firm DAC Beachcroft, pointed out that many charterparties include the standard BIMCO sanctions clause, under which a payment to the Iranian authorities for transit would be a "sanctioned activity" involving a "sanctioned party" and thus prohibited. There is also the practical question of how payments are to be made and whether bankers would be willing to process them. "Finally, this is not a cost that would have been contractually allocated in charterparties, so who would be liable to pay the 'transit fee'?" Jackson asked.

"The answer to this will turn on the charterparty forms, the true nature of the transit fee, and the specific terms negotiated."

More than 600 vessels still stuck in Middle East Gulf

CLEARING the more than 600 vessels trapped inside the Middle East Gulf is likely to take several weeks, even if traffic volumes increase towards pre-conflict levels.

According to Lloyd's List Intelligence data, 600 cargo vessels of more than 10,000 dwt are trapped in the MEG, with 325 of those tankers. Of those 325, some 154 are laden, 43 are sanctioned and 81 are part of the shadow fleet*.

Plans by shipowner associations seen by Lloyd's List to manage a surge in traffic through the strait have been drawn up using the existing traffic separation scheme, not the new routes proposed by Iran.

The Intertanko plan advises vessels to hold off entering the TSS if more than 60 AIS or radar "targets" are visible. In what is already a very narrow bottleneck, the flow of vessels is not likely to be fast. Lloyd's List understands those plans are on hold while more certainty is sought over security in the strait. The announcement of a ceasefire between the two sides was announced in the early hours of Wednesday, April 8, after the conflict look to be heading to its point of greatest escalation yet.

Since then, the messages from Tehran about the condition of the Strait of Hormuz have been mixed. Several vessels have reported VHF messages warning them that the chokepoint remains closed to transits, while Iranian deputy foreign minister Saeed Khatibzadeh told ITV the strait was open to everyone, providing they coordinate with Iranian forces.

Vessels that want to transit the strait must follow the new traffic separation scheme posed by Tehran, the Islamic Revolutionary Guard Corps Navy said. For vessels travelling westbound (or into the MEG), that means diverting around Larak Island, past the checkpoint set up by the IRGC. Thoughts of a swift return to normal were quickly discarded by yesterday's data though, with just six vessels transiting the strait. At the time of writing, only six vessels had transited the strait on April 9.

Shipping's caution is perhaps understandable. At least 18 vessels have been hit by projectiles since the conflict began, with several seafarers losing their lives. In addition, comments from both the IRGC Navy and Khatibzadeh that the strait may even be mined will hardly have inspired confidence.

Analysts have questioned the veracity of those claims. EOS Risk Group Martin Kelly suggested this could be true, or instead a way of sowing doubt and increasing Tehran's grip on the strait. Owners, charterers and insurers will be much keener on a "safe" route if the alternatives are laced with sea mines.

All Strait of Hormuz transits are verified by Lloyd's List Intelligence expert analysts using our AIS vessel-tracking data, advanced analytics and on-the-ground human intelligence to ensure even dark or GNSS-disrupted movements are captured. Lloyd's List Intelligence subscribers can activate the Strait of Hormuz transit watchlist here

* Lloyd's List defines a tanker as being part of the Shadow Fleet if it engages in one or more deceptive shipping practices indicating that it is involved in the facilitation of sanctioned oil cargoes from Iran, Russia or Venezuela. Or it is sanctioned for participation in sanctioned oil trades or is sanctioned for links to a company that is sanctioned for facilitating the export of sanctioned oil. Or it participates in a cargo delivery where at some point over the course of the delivery one party in the chain engages in one or more deceptive shipping practices.

Lloyd's List defines an LPG carrier as being part of the LPG Shadow Fleet if it engages in one or more deceptive shipping practices, or if it is sanctioned by the US, UK or EU.

Chinese state VLCCs inch towards Hormuz transit as Beijing pulls diplomatic strings

CHINESE state-owned tankers stranded in the Middle East Gulf have begun leaving their long-held gathering points in what appears to be a preparation to transit the Strait of Hormuz, as Beijing reportedly plays a behind-the-scenes role in brokering talks between Washington and Tehran.

The first movers are three laden very large crude carriers, two of which are owned by state conglomerate China Cosco Shipping Corp, according to Lloyd's List Intelligence vessel-tracking data.

The move comes as Iran seeks to formalise its control over passage through the strait, despite Washington saying its ceasefire agreement with Tehran was reached on the condition that the key waterway would be fully reopened.

Delegations from both sides are scheduled to hold face-to-face negotiations in the Pakistani capital Islamabad on April 11, while reports have emerged that Beijing has played a pivotal mediating role in bringing the talks about.

Two VLCCs, *Cospearl Lake* (IMO: 9337171) and *He Rong Hai* (IMO: 9603192), left a holding point in central MEG waters on the evening of April 8 local time, where they had been anchored for weeks alongside six other Cosco tankers since the outbreak of the war.

They are now stationed at an anchorage near the Strait of Hormuz and have been broadcasting AIS signals identifying their Chinese ownership and crew, according to Lloyd's List Intelligence tracking data.

The vessels appear to be following a playbook already tested by two Cosco ultra-large containerships, which waited at the same anchorage before transiting the strait via an Iran-approved corridor in late March.

Sources said their successful passage was the result of diplomatic coordination by Beijing, even though their first attempt was unsuccessful and they only made it through on the second try.

Cospearl Lake is operated by Cosco subsidiary Cosco Shipping Energy Transportation. He Rong Hai is listed in vessel databases with a registered owner of China's Hainan Herong Shipping and a ship manager of Shanghai Yucheng Shipping. Its beneficial owner is unclear, but Lloyd's List understands that both companies are ultimately backed by a Chinese state-owned entity.

A third VLCC, *Yuan Hua Hu* (IMO: 9723588) — another Cosco-owned vessel — left the gathering point slightly later on April 9 and appears to be heading towards the position of the first two ships.

Lloyd's List Intelligence tracking data shows that Cospearl Lake, He Rong Hai and Yuan Hua Hu are laden with Iraqi and Saudi crude oil. The next steps for the three Chinese VLCCs remain unclear. Cosco Shipping has been approached for comment.

Zhu Maijin, general manager of CEST, said at a shipping forum on March 19 that the company's eight tankers trapped in the MEG had sufficient provisions, fresh water and fuel to last at least 50 days, which would give the company time to formulate its strategy.

If the trio make it through, they would be the first Chinese state-owned tankers to depart the MEG since the conflict began. But the outlook remains uncertain.

Despite strong threats from US President Donald Trump for Tehran to reopen the maritime chokepoint, the Hormuz transit remains effectively under Iranian control.

Iran's Islamic Revolutionary Guard Corps has issued a directive requiring vessels to use alternative routes via the country's Larak Island to enter and exit the strait, effectively formalising a passage arrangement that has already been widely reported.

Iran has also made publicly that vessels must obtain its approval before transiting and, in some cases, pay a fee. Lloyd's List has reported that the verification process, which requires shipowners to submit detailed documentation proving ownership, finance, insurance and trading history details, remained unchanged.

So far, there has been no significant increase in traffic through the Strait of Hormuz. Shipping and the broader industries are still waiting

to see the outcome of US-Iran negotiations. White House spokesperson Karoline Leavitt said recently that President Trump had accepted a revised 10-point proposal from Iran, which the US views as "a workable basis on which to negotiate", but did not disclose details of the plan.

A proposal previously revealed by The New York Times included Iran's demand to maintain control over the Strait of Hormuz.

Meanwhile, China is also believed to have played a critical role in facilitating talks between the two sides.

The Guardian reported, citing unnamed Pakistani officials, that Iran was initially reluctant to participate in the negotiations but was persuaded by China, which acted as a guarantor and gave assurances that Iranian officials would not be assassinated during the course of future talks. Chinese foreign ministry spokesperson Mao Ning did not directly respond when asked about the matter today, but said China has consistently called for an immediate ceasefire and the resolution of disputes through political and diplomatic means.

"China will continue to make efforts to de-escalate the situation and bring an end to the conflict," Mao said.

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Iran unveils its own Hormuz traffic separation scheme

VESSELS opting to transit the Strait of Hormuz must do so via two prescribed routes, the Islamic Revolutionary Guard Corps Navy has warned in its latest announcement.

All vessels that want to make the trip through the chokepoint must coordinate with the IRGC Navy and use the two new prescribed routes to avoid potential naval mines, the force said.

Eastbound traffic (out of the Middle East Gulf) will continue to use a route similar to the existing traffic-separation scheme, but westbound traffic (into the MEG) will be diverted northwards, towards the Iranian coast and around Larak Island.

This route has been used by all vessels transiting the strait in both directions for some time now, with the IRGC using Larak Island as a checkpoint to verify the credentials of vessels seeking to transit.

Iran's deputy foreign minister Saeed Khatibzadeh told ITV that the Strait of Hormuz was open for commercial shipping, despite continued reports of IRGC announcements that the waterway remains closed.

Khatibzadeh said the strait was open to everyone, providing they coordinate with Iranian forces. "Technical restraints" and "wartime conditions" were behind the new separation scheme, he said, including the potential for mines.

Analysts have continued to question whether the strait has actually been mined or not.

EOS Risk Group head of advisory Martin Kelly suggested this scheme could be Tehran's way of tightening its grip on the chokepoint. Masters, owners, charterers and insurers would be more likely to opt for a "safe" route, he said, if they think the strait has been mined.

Yesterday's ceasefire announcement was met with a hefty dose of caution within the shipping industry, and this was demonstrated by a trickle of vessels choosing to transit the supposedly open Strait of Hormuz.

There are still a considerable number of vessels stuck inside the MEG. Kelly estimated that nearly 1,000 vessels would need to exit in the remaining 13 days of the ceasefire (if it holds that long) for the backlog to be cleared.

Reports of toll fees being charged by Tehran have not yet transitioned into formal plans, but some estimates have suggested Iran could net hundreds of billions of dollars were it to charge vessels a transit fee.

UK Foreign Secretary Yvette Cooper today called for the Strait of Hormuz to be fully reopened. She told the BBC there should be no tolls or restrictions on the chokepoint.

ANALYSIS

Historic product tanker rally in Atlantic is still in full swing

TANKER rates are following different trajectories as the Middle East war rapidly redraws global cargo flows.

Very large crude carrier rates in the Atlantic basin peaked in early March and are now less than half their highs.

Aframax and suezmax rates topped out in late March and are coming down more gradually. The historic boom in Atlantic basin product tanker rates is still in full swing.

"Lengthening tonnage lists should soon start to exert significant downward pressure on VLCC rates in the US, Latin America and West Africa [but] clean tanker rates in the West do not seem to be following the same pattern," said BRS.

"For the moment, rates are remaining firm as clean tankers continue to exit the region on previously rare long-haul voyages."

BRS pointed to several medium-range product tankers loaded with diesel from the US Gulf that initially signalled Europe last week, then changed course for Asia via the Cape of Good Hope, as well as at least one cargo of European ultra-low sulphur diesel last week bound for Australia.

"Such trades reflect the persistently wide West-to-East arbitrage that is partially offsetting the backwardation-linked risks of undertaking such trades.

"As global product markets continue to tighten over the coming weeks, this should see laden clean tonnage continue to exit the region, thereby partially offsetting the negative impact from ballasters arriving from other regions," said BRS.

Product tanker indexes still at or near highs

The Baltic Exchange's TC15 time-charter equivalent index for LR2 product tankers on the Mediterranean-Asia route was at $110,272 per day on Thursday.

This is triple the index level just before the war and 10 times rates one year ago.

The TC15 just surpassed the previous record reached in April 2020, during the COVID-era floating storage boom, and is now at its highest point since the index debuted in 2018.

The Baltic's TC16 index for LR1s from North Europe to West Africa was at $75,377 per day on Thursday, just below its recent high of $76,000 per day on April 2, which was the highest reading since April 2020.

The TC14 index for MRs from the US Gulf to Europe was at $84,486 per day on Thursday, more than double rates just before the war began and more than 10 times rates one year ago.

Thursday's reading was just below the peak of $85,772 per day reached on March 24, which was the highest print since the index debuted in 2012.

This index is far beyond any historical precedent. It topped out at $55,448 per day in April 2022 after Russia invaded Ukraine, and at $45,239 per day in April 2020 during the Covid floating storage boom.

The Baltic's TC2 index for MRs from Europe to the US east coast was at $36,413 per day on Thursday, the highest since January 2024 and more than double rates one year ago.

Atlantic partially compensates for Pacific losses

The seaborne products trade is at the front lines of the wartime economy. Consumers and businesses don't use crude — they use diesel, gasoline and jet fuel. The other main refined product is naphtha, used by the petrochemical industry as a feedstock.

Vortexa's weekly data on aggregate seaborne flows of these four products reveals the severity of the war's impact, and highlights why Atlantic basin spot rates have been so lofty.

Over the past year, through the week before the war, the Atlantic basin accounted for 45% of aggregate seaborne exports of these products.

By last week, the Atlantic's share had skyrocketed to 62%.

Global exports of diesel, gasoline, jet fuel and naphtha totalled 17.3m bpd in the week ending April 5, down 2.4m bpd or 12% year on year (y/y), reflecting the loss of Middle East Gulf cargoes.

Atlantic exports totalled 10.7m bpd last week, up 1.5m bpd or 17% y/y, whereas Pacific exports, including the MEG, came in at 6.6m bpd, down 4m bpd or 38% y/y.

The weekly total for the Atlantic basin was the second highest since Vortexa's dataset began in 2016, just below the record set in July 2017.

North Europe was the largest source of incremental Atlantic seaborne products exports, up 840,000 bpd y/y last week, with volumes from the US Gulf up 420,000 bpd and exports from the Black Sea/Caspian Sea region up 210,000 bpd.

Sanctions stopping Iran paying into oil spill fund

IRAN says Western sanctions are stopping it from paying its contributions under the International Oil Pollution Compensation Funds — the oil industry body that acts as the top-level insurer for tanker spills.

Iran has made several attempts to pay its contributions but was blocked. It owed £1,374,239 as of November 2025, according to the most recent reported figure.

The IOPC Funds effectively pay governments when shipowner insurance is maxed out.

Iran said years of sanctions have "severely restricted the country's access to international banking and financial systems, making it extremely difficult to transfer its contributions to international organisations including the International Maritime Organization and the IOPC Funds".

It has asked the IMO's Legal Committee (LEG) to review its case, blaming "exceptional and extraordinary circumstances arising from illegal unilateral financial sanctions".

Iran wants the IOPC Funds to establish an official mechanism to recognise payment obstacles beyond the control of the member state, "so that in similar cases, states are not subjected to unfair treatment".

Yet it's not clear exactly what unfair treatment Iran is referring to, or which other countries could receive it.

Unlike UN or IMO dues, IOPC contributions are paid by oil companies in big oil-importing countries; governments only manage the payments and reporting. India is the biggest contributor, followed by Japan, South Korea and Italy.

IOPC Funds external relations manager Victoria Turner said the organisation has waived Iran's interest charges since 2023, when it started trying to pay (Iran's last payment was in 2018).

"Given the ongoing co-operation of the Iranian Government and its efforts to make payment of the monies owed, interest is not being accrued until sanctions are lifted or banking regulations/practices change," Turner told Lloyd's List.

The IOPC Funds Secretariat met with Iranian officials in November to explore alternative payment methods, but "no practical solutions have yet been identified".

The IOPC Funds has not placed Iran on its list of countries that have oil reports or contributions outstanding for at least two years.

Countries on that list include Russia, Venezuela, Guinea, Guyana and Djibouti.

Possible penalties include being barred from nominating candidates to the funds' governing bodies, or being asked to pay invoices based on estimated oil receipts.

Yet this doesn't mean oil spills won't be covered.

Iran's £1.3m represents about 42% of the total outstanding contributions. Venezuela's outstanding £1.01m makes up 31%, and the remaining amounts are small.

Turner said more than 99% of the funds' contributions had been paid over the years.

"This is such a successful system," she said.

The IMO LEG113 meeting meets next week.

Middle East port update: Thursday, April 9

AIRSPACE across most Middle East Gulf countries is reopening on a restricted basis. While some countries remain closed, the majority have resumed limited operations with a reduced number of flights.

As a result, crew changes may be possible in certain locations, but remain constrained and subject to local conditions.

United Arab Emirates

- Fujairah and Khor Fakkan:

- Fujairah and Khor Fakkan – The Fujairah Oil Tanker Terminal (FOTT) is mostly operational, according to the latest update from the port. Berth 6 is offline and under maintenance. Berths 4 and 5 are reserved for bulk carriers. (updated)

- Vopak Terminal is operational. (updated)

- ADNOC SPM Terminal is operational.

- General cargo and container discharge operations are proceeding as scheduled at both the Fujairah and Khor Fakkan Terminals, without disruption.

Navigational warning No. 01/2026 has been disseminated, addressing reported incidents of intermittent GPS signal spoofing and jamming in offshore areas of Fujairah.

These disruptions may lead to a loss of positional accuracy, erratic vessel movements on Electronic Chart Display and Information Systems (ECDIS), and potentially misleading positional information. Mariners are advised to consider this area as high risk.

- Anchorage services are all normal without interruption. (updated)

- Jebel Ali, Hamriyah and Sharjah ports: all terminal port operations are normal.

- Khalifa port terminals — operations resumed, including at CSP AD Terminal.

- STS operations are resumed in Dubai waters anchorage with tug assistance as of now; each operation will be assessed separately. No underway STS is permitted till further notice.

- Ruwais and Abu Dhabi petroleum ports are operational. Ruwais PPA (ISPS Level 2) and Abu Dhabi Ports (ISPS Level 1). Abu Dhabi Ports confirmed that all UAE ports managed and operated by AD ports remain fully open and are operating as usual.

- Ras al Khaimah ports remain open and are operating normally.

- A temporary measure has been implemented to facilitate customs cargo clearance for shipments destined for Jebel Ali or Abu Dhabi Ports via the Ports of Fujairah and Khor Fakkan. In response to ongoing circumstances, this initiative allows direct road transport of containers to Jebel Ali, designated Free Zones or Abu Dhabi, eliminating the need to adhere to traditional customs clearance procedures.

Kuwait

- All ports are operating normally.

- Coastguard notice: kindly note that entry permits for foreign vessels arriving from Iraqi ports are temporarily suspended until further notice.

- Shuaiba and Shuwaikh ports ISPS Level 2.

- Airspace closed temporarily.

Oman

- Current status: all ports are fully operational.

- Vessels calling at all Oman ports must submit an official letter stating that they are not carrying any dangerous goods on board.

If any dangerous goods are found, the type of cargo must be specified in detail, and the vessel must await the Ministry's approval before entering Omani territorial waters.

- The following notification was received from the Mina Al Fahal terminal (crude oil) loading facility. All vessels scheduled to call at MAF are to ensure their Doppler log is fully operational. This precaution is necessary due to ongoing GPS interference in the area. Vessels without a functioning Doppler log cannot be berthed due to safety requirements.

• ISPS Level: Qalhat LNG Terminal, Sur and Mina Al Fahal — Muscat: ISPS Level 3. Port of Salalah: ISPS Level 2. All other ports: ISPS Level 1.

Saudi Arabia

• There are presently no alerts or warnings issued by the local port authorities. All operational activities are functioning at full capacity.

• Saudi Arabia's national carrier confirmed flights suspended for Bahrain, Kuwait, Amman, Dubai, Abu Dhabi, Doha, Russia and Peshawar.

Bahrain

• Vessel movements in Bahrain have resumed. However, operations remain limited due to the current situation. BAPCO operations remain suspended.

• APM Terminals port operations restarted from April 9, 2026 at 0600 hrs. (updated)

• At present, crew changes are not feasible as the airspace remains closed.

• ISPS security level remains at Level 1.

Qatar

• Hamad port, Doha port and Al Ruwais port — are all operational; however, activity levels are lower than pre-conflict. Al Ruwais port is restricted to small craft only, including dhows and barges.

• Mesaieed port and Ras Laffan port — port operations ongoing. QatarEnergy has ceased production of LNG and associated products.

• Al Shaheen Terminal and Halul Island Terminal — operations suspended until further notice.

• The official ISPS security status remains at Level 1. However, as a proactive measure, all vessels are requested to exercise heightened caution and vigilance.

• The Ministry of Transport has advised that, to maintain supply chain continuity, shipping lines may route raw materials and consumer goods destined for Hamad port via designated alternative ports in Oman and the UAE, with maritime agencies required to coordinate with the relevant port authorities and notify the ministry accordingly. First alternative — Sohar, Salalah and Duqm ports. Second alternative — Fujairah and Khor Fakkan ports.

• Mwani Qatar (Hamad & Ruwais Ports) activates Exceptional Package of Port Tariff Facilities in response to exceptional circumstances that are disrupting supply chains and creating operational and logistical challenges.

The decision remains in effect throughout the exceptional phase, until further notice.

• RLC Immigration has resumed normal operations starting March 24. Expect longer visa processing due to the long Eid holidays and visa request backlogs.

RLC Security continues to process security passes for the crew. Crew sign-on/sign-off will be entertained as per normal process, including crew changes at RLC anchorage/ OPL. Shore leave will be allowed strictly for genuine medical emergencies only.

Egypt

• No alerts/notifications have been issued by the local authorities.

• All ports and the Suez Canal are operating without disruption.

• (Egyptair) commenced operating some flights to/from MEG countries.

Jordan

• Jordan remains stable. Authorities continue to issue general public awareness guidelines purely as precautionary measures.

There are no security incidents inside Jordan.

• All operations remain normal at Aqaba port. Terminals, marine services, cargo handling and gate operations are functioning without disruption. Maritime navigation and cargo operations are proceeding smoothly and without delay.

• Royal Jordanian and the Jordanian airspace remain open; flights to Qatar, UAE, Syria, Bahrain and Kuwait remain closed.

Pakistan

• All ports remain fully operational.

- ISPS level remains at Level 1.

- Airspace remains open, with no operational impact reported.

Iraq

- Iraqi ports (Umm Qasr ports North and South, and Khor al Zubair) are operating but with fewer vessels.

- Basrah Oil Terminal and SPM Somo Terminal have ceased export operations.

- No port restrictions or emergency measures in place.

- Fresh water suppl and food purchasing/ provisioning are available.

- Crew change is available, but there is a delay in issuing the visa.

- Shore leave (for emergency medical treatment) available.

Cyprus

- All ports remain fully operational.

- ISPS level remains at Level 1.

- Airports and airspace remain open, with no operational impact reported (flight scheduling almost back to normal).

Lebanon

- All ports remain operational, with no alerts or warnings issued by the local port authorities so far. South of Lebanon is in an unstable operational situation.

- ISPS level remains at Level 1.

- Airspace remains open and operating only Middle East Airlines flights.

- Both the private and public sectors are operating normally.

Israel

- Eilat, Ashkelon, Ashdod, Hedera and Haifa are fully open for business and functioning at full capacity.

- Ashdod port is not accepting ro-ro vessels due to the previously advised restrictions.

- No ship has left Israel or was forced to leave outside its schedule. Ports are ISPS Level 1.

- Airspace is now open but restricted. Flights are coming in and out of Israel on a limited basis, with restrictions.

- Ro-ro car deliveries: only direct delivery allowed at this stage. No storage at ports is allowed until further notice.

Source: Inchcape Shipping Services — the appointed Lloyd's Agents in UAE, Oman, Kuwait Qatar and Iraq. Status last updated April 9, 1000 hrs UAE local time

MARKETS

Zhonggu's fleet expansion accelerates with feeder order at Wuhan yard

CHINESE carrier Shanghai Zhonggu Logistics is set to double its current carrying capacity with a second order for smaller containerships amid shifting trade patterns.

The Shanghai-listed firm said in an stock exchange filing that it has agreed to build ten 1,800 teu ships with CSC Wuhan Qingshan Shipyard, valued at up to Yuan2.7bn ($395m), with deliveries slated across 2028 and 2029.

The deal followed a January order of six 6,000 teu boxships, pushing Zhonggu's orderbook capacity to 55,200 teu — equivalent to 109% of its existing fleet, according to data from Linerlytica.

Zhonggu said the latest order will be financed through self-raised funds and existing cash reserves, aims to "sharpen its market edge" by optimising the company's fleet structure and expanding steadily.

Zhonggu has been expanding beyond China's domestic services to global trade routes along Belt-and-Road corridors, as Chinese manufacturing supply chains extend overseas amid geopolitical tensions and tariff disruptions. The shift is widely expected to further spur regionalised trade, thereby increasing demand for smaller boxships. Zhonggu's order is also part of an ordering spree for feeder vessels, a segment that still enjoys a relatively low order-to-fleet ratio compared to larger long-haul tonnage.

The planned deal had been passed by the board, but it remains subject to shareholder approval.

IN OTHER NEWS

Russia hits Ukrainian port of Izmail

THE UKRAINIAN port of Izmail was targeted by Russian drones as Moscow responds to weeks of intense targeting of its Baltic port infrastructure. The port of Izmail is located on the river Danube near to its exit into the Black Sea, in the Odesa region.

The port has assumed an increased importance since Russia's invasion, with LPG shipments in particular being rerouted there because of the continued attacks on Ukraine's key seaports. But the port itself was subject to an attack by Russia overnight between April 8 and 9, the Ukrainian Seaport Authority confirmed via its Telegram account.

Port infrastructure, including warehouses belonging to the Ukrainian Danube Shipping Company, were hit in the attacks, though these fires were later extinguished by emergency services.

Russia-flagged tanker Nika Spirit (IMO: 8895528) and general cargoship Volgo-Balt 225 (IMO: 8230431) (flying an unknown flag), both detained by Ukraine and laid up at the port, were also hit in the attack.

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