

SCA says Shoei Kisen had made new compensation offer over Ever Given grounding

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A lawyer for the Suez Canal Authority said on Sunday June 20th that Japan-based Shoei Kisen, the owners of ULCV **Ever Given** (IMO 9811000), which grounded in the Suez Canal on March 23rd and blocked the channel for six days, had made a new compensation offer. A court ruling on the case had been due yesterday, but at the last minute was postponed for two weeks.

The postponement of the hearing until July 4th reportedly was to allow a “friendly settlement” between the parties.

Last week the container ship’s P&I insurer UK Club said that it had been engaged in “serious and constructive negotiations” with the SCA and was “hopeful of a positive resolution to these negotiations in the near future”.

It also said that it hoped to provide an update in connection with the Limitation Proceedings commenced by the owners of the Ever Given in the High Court of London. It advised that procedural hearings were due to take place in the near future. (For the avoidance of doubt, these proceedings do not involve the Suez Canal Authority).

On Sunday UK Club reported that “over the course of more than 15 days, in extended, long and arduous, but positive working sessions, the UK Club together with the ship’s other insurers have been engaged in negotiations with the committee assigned by the Suez Canal Authority on the grounding incident of Ever Given.”

The Club said that it had agreed that the details of such negotiations would remain confidential. However, it did reveal that “during the negotiations a proposal was submitted that we believe satisfies all the requirements of the SCA. Accordingly, the owners and their insurers requested and confirmed to the Ismailia Economic Court of First Instance in today’s hearing (Sunday June 20, 2021) their clear desire to

adjourn the hearing in order to take the necessary time to reach a final and amicable solution that satisfies all parties.”

Since the Ever Given was refloated it has been anchored in the lake between the northern and southern stretches of the Canal, holding goods worth an estimated near \$800m in more than 18,000 containers.

The SCA initially demanded \$916m in compensation to cover salvage efforts, as well as the more nebulous “reputational damage” and lost revenue. This was about \$750m higher than the owner and its liability insurer UK Club had considered a reasonable sum (the SCA claimed). The SCA later reduced its demand to \$550m.

Negotiations had continued until Saturday, SCA lawyer Khaled Abu Bakr said at the Sunday court hearing in Ismailia said that the ship’s owners had put in a new offer but did not give further details.

The SCA’s chairman previously said Shoei Kisen had offered to pay \$150m. 2018-built, Panama-flagged, 219,079 gt Ever Given is owned by Luster Maritime/Higaki Sangyo care of Shoei Kisen KK of Imabari-shi, Ehime-ken, Japan. It is entered with UK Club on behalf of Luster Maritime SA.

<https://www.ukpandi.com/news-and-resources/press-release-articles/2021/ever-given—media-statement/>