

Black Sea Corridor grain deal set to expire, Ukraine wants renewal, expansion

By admin On November 11, 2022 In Cargo, Insurance Marine News, Keep, Marine Hull, Marine Liability, Political Risk, Credit & Finance

Ukraine would like to see the Black Sea Corridor grain export deal expanded to include more ports and goods, Ukraine's deputy infrastructure minister Yuriy Vaskov said last week.

He also hoped that a decision to extend the agreement for at least a year would be reached.

The deal, signed in late July and running for 120 days, unblocked three Ukrainian ports. It is due to expire on November 19th.

A couple of weeks ago Russia suspended its participation in retaliation to drone attacks on the Crimea, claiming that merchant ships were being used as launch pads. However, this decision was rapidly reversed.

The deal so far has allowed about 10.5m tonnes of Ukrainian food, mainly grain, to be delivered to foreign markets. One bone of contention for Russia is that it feels too much grain is being delivered to the EU and too little to developing nations in Africa.

Vaskov said Ukraine had offered an extension of at least one year to Turkey and UN, as well as a broadening of the deal to include the ports of the southern Mykolaiv region, which provided 35% of Ukrainian food exports before the Russian invasion in February.

Kyiv has also asked for a streamlining of the mandatory inspections of ships that are involved in food transportation. Ukraine has maintained that Russia was slowing down inspections deliberately in order to reduce the speed of exports, he said.

Vaskov claimed that exports under the agreement could amount to 15m tonnes if Russia had not been delaying the inspection of ships.

Vaskov said that inspectors of the Joint Centre on the southern Black Sea Coast near Istanbul were conducting only 12 inspections per day, while 25-to-30 inspections a day were needed.

“When Turkey and the UN did their own inspections, they proved it was possible to carry out more than 40 inspections a day. Now that Russia has returned ... we again have a total of 12 inspections per day,” he said.