

Mine threat as more ships gear up to enter Ukraine's new shipping corridor

Sam Chambers October 5, 2023

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Ministry of Defense Ukraine

Another 12 international merchant vessels are gearing up to enter Ukraine's new shipping corridor, even though new intelligence from London has warned of the threat of Russia laying mines to deter the fledging trade lane.

In the middle of July Russia pulled out of the Black Sea Grain Initiative, a United Nations-brokered shipping pact, after which Kyiv has worked to establish an alternate route to manage its exports while also targeting Russian naval infrastructure to keep the new maritime corridor away from attack.

"In total to enter the new corridor we have 12, and 10 to leave. That is as of now," Ukraine Navy spokesperson Dmytro Pletenchuk told an online media briefing on Wednesday.

The increasing traffic comes at a time of potentially heightened risk with the UK warning yesterday Russia may use sea mines against civilian shipping in the Black Sea, including by laying them on the approach to Ukrainian ports.

"Russia almost certainly wants to avoid openly sinking civilian ships, instead falsely laying blame on Ukraine for any attacks against civilian vessels in the Black Sea," the Foreign Office said in a statement.

Russia has also stepped up aerial attacks on Ukraine's ports with drones and missile raids that have so far damaged 130 infrastructure facilities and destroyed nearly 300,000 tonnes of grain, the UK said.

Ukrainian grain exports have declined by 24% so far in the 2023/24 July-June season as the country's major export routes were blocked, according to data from Ukraine's agriculture ministry.

Nevertheless, there has been plenty of signs of increased export activity at Ukrainian ports in recent weeks.

"Cargo order volumes for agricultural commodities loading in Ukrainian ports are still trending higher, suggesting that actual exports will accelerate in the coming weeks and months," commented Ulf Bergman, senior economist at chartering platform Shipfix. The aggregate for last week hit the highest level for the year with the current week on track set to top the past week's reading and set a new high for the year.

"Compared to the weekly volumes observed during the summer, we are currently seeing an increase by a factor of three to four," Bergman said.

Shipfix's cargo order data for the current week are pointing towards a shift in the patterns for the trade. Initially, the surge in order volumes was dominated by handysize shipments to European ports. However, a new development started last week and has accelerated during the first half of this week. Demand for shipments of Ukrainian agricultural commodities to China and the Far East has increased substantially, accounting for more than a third of the past three days' volumes. The increased demand for long-distance shipments has also led to a shift in vessel

requirements. From having been dominated by small vessels, the demand for larger tonnage in the trade has risen in the past week.

"At this stage, the panamaxs seem to be the main beneficiaries of the change in demand," Bergman told *Splash* today.