

Europe tightens net around Russia's shadow fleet

The European Union (EU) has sanctioned a further 52 vessels engaged in so-called 'dark fleet' high-risk operations of substandard ships sailing without proper insurance, inadequate manning, and lacking basic ship safety requirements.

[Paul Bartlett](#), Correspondent

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Credit: European Union 2018

The latest sanctions, which take the total number of vessels to 79, target ships engaged in [Russia's](#) energy trades, vessels transporting cargoes stolen from Ukraine, carrying arms, or owned, operated or chartered by sanctioned entities or individuals.

The vessels sanctioned are subject to an EU port ban and on provision of services in what was described as a targeted approach to increase the cost of Russia using such vessels as they are no longer able to do business as usual in the EU.

The EU's latest move follows two tanker casualties in the Kerch Strait this weekend in which one vessel broke in two; the other ran aground. One sailor perished, others are in hospital with hypothermia. The small products tankers of around 4,500 dwt are thought to be owned by Russia's Volgotanker which controls a fleet of around 40 similar vessels. The tanker that broke in two was 55 years old; the second vessel 51.

Since Russia invaded Ukraine nearly three years ago, the dark fleet, also known as the shadow fleet, has mushroomed in size as sanctions on Russia's maritime trade have caused increasing disruption to the country's seaborne trade. The vessels are frequently old, substandard, owned through complex webs of paper companies in dodgy jurisdictions, and flying flags of convenience, notably [Panama](#), and other unlikely countries such as Barbados, Comoros, and Gabon. They frequently turn off AIS systems and undertake risky ship-to-ship transfers at sea.

Related: [Implications for sanctions and the dark fleet under Trump 2.0](#)

With just over two months to go until P&I renewals, the Clubs have already set out their plans for February 20 renewals. But concern is mounting that the risks of the dark fleet are rising exponentially and the implications for shipping's mutual insurance framework are incalculable. Late in October, S&P Global predicted rate increases averaging around 5% but the risk outlook has left that figure on the low side at some mutual insurers.

The London, NorthStandard, Skuld, Steamship, Swedish and West of England Clubs have proved S&P Global on the mark, with 5% increases. The American Club will increase rates by 7%, the Britannia by 7.5%, Gard by 4%, the Japan Club by 7%, and the UK Club by 6.5%. Shipowners is the only mutual that will not raise rates in February.