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JAPAN P&I NEWS

To the Members

Argentina—Increasing Groundings in the Parana River

Please refer to the previous Japan P&I News No.890 dated 1 May 2017.

We have received information from Pandi Liquidadores S.R.L., our correspondent in Argentina, regarding the subject matter.

The groundings in the Parana River are not infrequent, and it usually is an average of 15 per year. However, in 2024, there was an increase in the groundings. The reason for each vessel running aground vary from case to case, while most of them are caused by an error in navigation by the Pilot or Master. Our Correspondent suggests to the Master to discuss and review ship's navigation plan with the Pilot to ensure that both parties agree on all the sections of the River and route to be followed. There have been cases where there have been changes in the navigation channel to be followed, which did not appear reflected in ship's electronic charts but yes in Pilot's chartering systems, leading to confusion on the route being followed and groundings thereafter.

Our correspondent informed that, in 2021, the management of the waterways in the River Plate basin (including Parana River) changed. The contract with "Hidrovia SA" - a joint venture between Jan De Nul and the local Empea - came to an end after 25 years, and it was provisionally awarded to the state-owned Administración General de Puertos SAU (AGP), whilst the government intends to carry out a public tender for a new concession, which so far, was not achieved.

According to our correspondent's statistics, 50% of the groundings in the Parana River were refloated by their own means, 47% by the assistance of tugs and 3% required a salvage or lightering operation.

In 2024, our correspondent recorded 21 groundings along the Parana River. In line with previous tendency, some refloated by their own means and others required tugs. The costs of the tugs vary from case to case, and should be negotiated based on availability and the context of the grounding. Customary, tugs will charge a fee per hour, with a minimum hire, and a refloating bonus per tug. Amended BIMCO TOWHIRE contracts are normally acceptable and suitable "no claim for salvage" clause must be included.

Due to the soft mud in most of the River Plate Basin (including Parana River), often, there are no reported damages to the vessels. However, in 2025 there have been two groundings which sustained severe damage: one at Km 318 of the Parana River which lost its rudder; and, another one, in Km 64.8 Martin Garcia Channel (River Plate) with rocky bottom. There have been a number of groundings in a new stretch known as "Fighiera" near Km 390 Parana River, where it seems that the bottom presents clay and tuff, which is relatively hard, compared to the usual soft bottom of sand and mud, found in most of the Parana River. This made the refloating more challenging than usual, but did not

cause damage to the vessel.

Our correspondent has also informed that the Coast Guard would most likely commence an Administrative Enquiry against the vessel (Master and/or Owners and/or other crew that could have been involved) which may result with a fine of up to a max. about US\$ 50,000 equivalent to Units of Fine 200,000 yearly updated the rate per Units of Fine, if the Coast Guard found that the Master and those enquired were in breach to any regulation or somehow negligent or "professionally" liable to the incident.

Yours faithfully,

The Japan Ship Owners' Mutual Protection & Indemnity Association