

Catch 22 situation for shipping's Red Sea return

A return to the Red Sea and Suez Canal transits by major shipowners in the tanker and dry bulk sectors is likely to be cautious with seafarer safety paramount.

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Credit: Marcus Hand

Chairing a panel on commodity shipping Capt Subhangshu Dutt, Managing Director of OM Maritime, put the question to speakers as to when trading through the Red Sea would start to normalise.

Peter Kolding, VP Commercial & Management for tanker owner [Hafnia](#), said it was a good question, "because who wants to be the guinea pig?"

He was clear that it would not be Hafnia. "We are only going to ask our seafarers to go when we feel comfortable that we can say that you will be safe, and nothing will happen to you. I don't see that we have the necessary data available to us," Kolding told the conference at Commodity Trading Week Asia in Singapore.

This does though potentially create a situation where no-one is willing to make the first move. Kolding said he accepted that it was "bit of a catch 22" as if none of what were described as "mainstream owners" are willing to go through the Red Sea how does the industry get verification that it is safe?

"We are not going to be the first ones to put our seafarers on the line to help the industry. We want to help the industry, but not to that extent."

There was a very similar sentiment from dry bulk shipowner Precious Shipping. "Just to repeat we do not want to risk the lives of our seafarers, so we are going to be extremely cautious. We are going to go very, very slowly restart going through the Red Sea," said Gautam Khurana, CFO of [Precious Shipping](#).

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It should be noted that there is a distinct difference between many major owners and many smaller companies, especially those plying shorter trades with the Middle East region. It was estimated that around 40 – 50% of dry bulk volumes on the trade were currently moving via the Red Sea rather than diverting to the much longer route via the Cape of Good Hope.

Speaking from a charterer perspective Michele Gonzalez, Head of Chartering Contracts & Operations APAC and Middle East for Vale, said, “From our side it is very straightforward safety comes first.”

Major container lines such as Maersk, Hapag-Lloyd, and MSC have also stated that they plan to maintain diverting via the Cape of Good Hope until the security situation in the Middle East becomes more certain.

Capt Dutt raised the point that internally OM Maritime had spoken to crew through their ship managers and some were willing to transit the Red Sea. However, the company operates its three vessels as part of a pool which has a policy not to transit the region at present.

Kolding said he felt it was right the decision was not left to seafarers to make individually as personal financial factors such as risk bonuses might become a factor. “When you have personal economics playing into your decision making it can sometimes cloud your decision making as well.” He said that as prudent managers they should not put seafarers in the position where they have to make that decision, “because it is just wrong”.