

International Salvage Union  
Annual Review 2024





“Parties must do what they do best. Owners operating their ships, masters making decisions, insurers covering the risks and handling claims and salvors providing services when there is an emergency. The cost of salvage should not be the focus but the value of what is saved.”

# International Salvage Union Annual Review

# 2024

## PRESIDENT'S FOREWORD



It is a privilege to write this foreword to our 2024 Annual Review in my second year of my second term as ISU president.

The core purpose of the ISU is to be the "credible, trusted and unified global voice of its members who facilitate world trade by providing marine services which save life,

protect the environment, mitigate risk and reduce loss." And when I reflect on that statement I think it truly does capture the essence of our association.

The salvage industry remains under financial pressure as the ISU's annual salvage industry statistics on Page 9 of this Review indicate. However, gross revenues from all sources did maintain the recovery in 2024 which was noted the previous year compared with the historically low levels seen before.

And we are encouraged that ship owners and the marine insurance community openly recognise the importance of our industry and the need for it to be sustainable. And this need is reinforced because the potential impact of cases is getting larger, particularly with containerships, and also because of the greatly increased amount of bunkers carried by the largest ships.

There is much to report from 2024. During the year, as our legal adviser describes in his report, the new Lloyd's Open Form (LOF) 2024 was published for use along with its Fast Track Documents Only (FTDO) arbitration procedure.

As always, ISU continues to promote use of LOF and, while we are realistic about the number of times the contract will be used each year, we hope for an upturn and so we shall follow developments with the new LOF closely, including the operation of the FTDO.

ISU is clear and consistent that salvage awards based on Article 13 of the Salvage Convention must remain the cornerstone of the funding of our industry.

We also made good progress in 2024 on wreck removal matters, concluding the new BIMCO WreckStage 2024 and starting work with BIMCO and other key players on revisions to WreckHire and we look forward to continuing that work and then turning our attention to the WreckFixed contract.

In major operations we saw ISU members respond effectively to the Baltimore bridge disaster - removing the collapsed bridge debris in difficult conditions and refloating the containership DALI. It was a case which demonstrated in practice the ISU's key messages about the value of professional salvors in reducing loss, saving property and keeping ports open.

In other operational matters, fires on containerships and battery fires in car carries and on RoRos are a continuing and significant concern. ISU members are often the only agency available to deal with such incidents and have a proud track record in this specialised field. And dealing with casualties that are powered by new types of fuel - LNG, hydrogen and ammonia - will be an increasing focus for the industry.

As well as saving life and property, salvors continued to prevent major incidents of marine pollution. In 2024 ISU members provided services to vessels carrying more than 2.4 million tonnes of potential pollutants.

The full results can be seen on Page 12 of this review and show the great environmental benefit of the salvage industry as well as the benefit of protecting ship owners' reputations and supporting their Environmental, Social and Governance (ESG) requirements which are now central to business operations.

I hope this review shows our willingness to be transparent and open about the ISU and the wider industry and I hope that our key stakeholders will continue to support us in our vital work.



**John A Witte Jr**  
President,  
International Salvage Union

# EXECUTIVE COMMITTEE REPORT

The International Salvage Union is a company limited by guarantee (not for profit) incorporated in England. It acts as the trade association for marine salvors globally and its principal activity has been the provision of services to its members who are marine salvage contractors.

The ISU is governed by a President supported by a Vice President and an Executive Committee made up of senior managers from the members companies. The Executive Committee meets quarterly and there is an annual meeting to which all members are invited. Day to day business is conducted by a secretariat consisting of the Secretary General, Administration and Finance Assistant, supported by the Legal Adviser. The ISU operates from an office in the City of London, UK.

## OFFICERS

President  
John Witte Jr  
*Donjon Marine, USA*

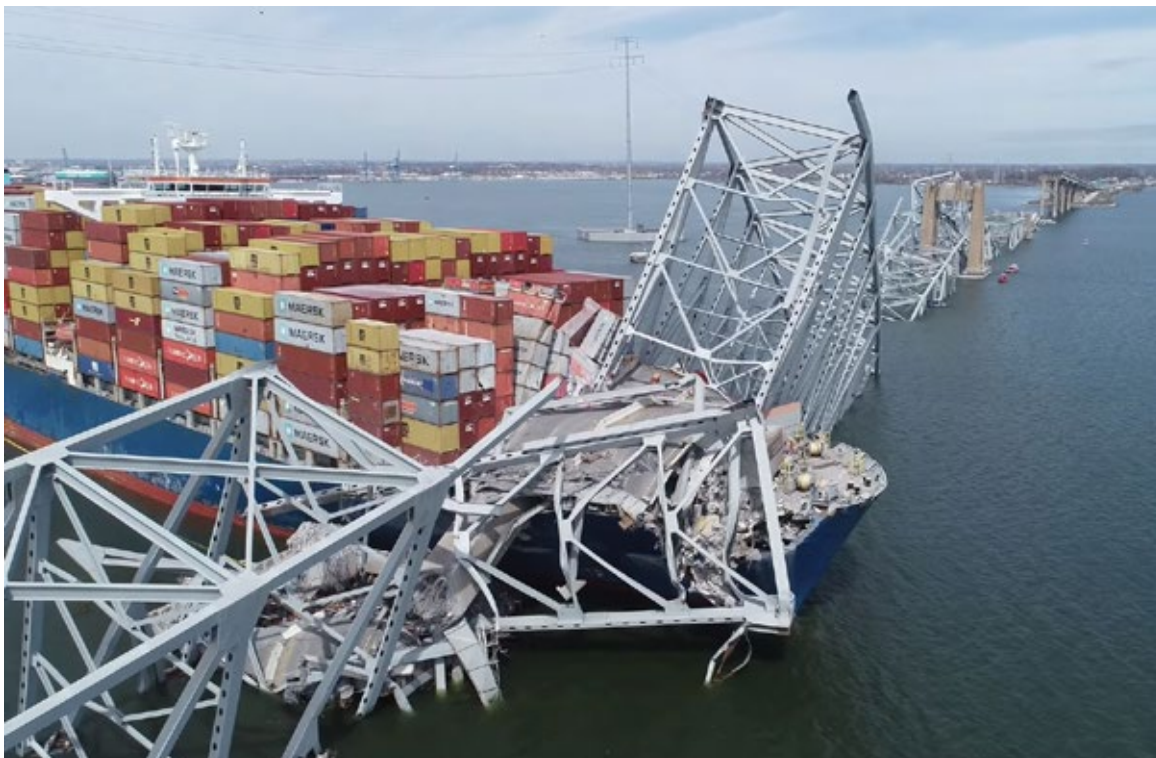
Vice President  
Captain Leendert Muller  
*Multtraship Towage & Salvage, The Netherlands*

## EXECUTIVE COMMITTEE

Carlos Bastias, *Ultratug, Chile*  
Dominique Caillé, *Les Abeilles, France*  
Charo Coll, *Boluda, Spain*  
Li Chang, *China Rescue and Salvage, China*  
Richard Janssen, *Smit Salvage, The Netherlands*  
Nikolaos Pappas, *Five Oceans Salvage, Greece*  
Carlos L Paz, *Raul y Negro, Argentina*  
Drew Shannon, *United Salvage, Australia*  
Shimonshi Sukekazu, *Nippon Salvage, Japan*

## SECRETARIAT

Secretary General	Finance and Administration	Legal Adviser
James Herbert	Ciara McGarry	Richard Gunn



# ISU ABBREVIATED ACCOUNTS

International Salvage Union Limited, a company limited by guarantee  
Statement of Income and Retained Earnings year ended 31 December 2024

	2024 £	2023 £
<b>Turnover</b>	409,945	383,975
<b>Gross profit</b>	<u>409,945</u>	<u>383,975</u>
Administrative expenses	344,621	375,589
<b>Operating profit/(loss)</b>	<u>65,324</u>	<u>8,386</u>
Other interest receivable and similar income	4,766	3,907
Interest payable and similar expenses	–	613
<b>Profit/(loss) before taxation</b>	<u>70,090</u>	<u>11,680</u>
Tax on profit/(loss)	–	–
<b>Profit/(loss) for the financial year and total comprehensive income</b>	<u><u>70,090</u></u>	<u><u>11,680</u></u>
<b>Retained earnings at the start of the year</b>	284,775	273,095
<b>Retained earnings at the end of the year</b>	<u><u>354,865</u></u>	<u><u>284,775</u></u>

All the activities of the company are from continuing operations.

Statement of Financial Position at 31 December 2024

	2024		2023	
	£	£	£	£
<b>Fixed assets</b>				
Tangible assets		910		1,300
<b>Current assets</b>				
Debtors	77,431		91,459	
Cash at bank and in hand	418,581		357,485	
	<u>496,012</u>		<u>448,944</u>	
<b>Creditors: amounts falling due within one year</b>	<u>11,372</u>		<u>34,784</u>	
<b>Net current assets</b>		<u>484,640</u>		<u>414,160</u>
<b>Total assets less current liabilities</b>		<u>485,550</u>		<u>415,460</u>
<b>Net assets</b>		<u><u>485,550</u></u>		<u><u>415,460</u></u>
<b>Capital and reserves</b>				
Other reserves		130,685		130,685
Profit and loss account		<u>354,865</u>		<u>284,775</u>
<b>Members funds</b>		<u><u>485,550</u></u>		<u><u>415,460</u></u>

# SECRETARY GENERAL'S REPORT



James Herbert

During 2024 we have continued to improve ISU administration, particularly in finance matters and in liaison with the membership. The secretariat continues to be small and our part time administration and finance assistant resigned to spend more time with her young family and we initiated a process to find a successor. The other member of the secretariat is our legal adviser, Richard Gunn, who has provided strong support, wise advice and much assistance during the year.

We continue to be located in the heart of the financial district of London in a modest office which is close to many of the P&I Clubs and their association, the International Group, as well as Lloyd's, brokers, underwriters and the large marine law firms.

The secretariat ensures the efficient running of the association but its chief purpose is to support and advise the President and Executive Committee in managing issues, creating ISU policy and working to support initiatives as well as with stakeholder engagement and communications.

Our finances remain stable – there is a report of the accounts on Page 5. There are now established and recurring savings compared with several years ago and we have continued to operate within our annual budget. Income is derived from a slightly increased membership subscription, now at GBP £5500 per year as well as from the levy which members pay for each substantial operation they conduct. Associate members' subscriptions were held at GBP £950.

We have maintained membership levels at some 50 full members from countries spread round the globe. It is important that we should be representative of the whole of the salvage community and with members from all continents and ensuring that our work recognises their needs is critical for the credibility of ISU. We also make

no distinction based on the scale of our members' businesses - our membership is made up of professional salvors large and small.

Associate Membership stands at some 70 with some members leaving and a balancing number joining which we tend to see every year. We also have 15 Affiliate Members – similar trade associations and other non-profit organisations.

We try hard to maintain a high profile for the industry and we are pleased to have retained our status as an official consultative NGO at the IMO. We were again privileged to join the assessment panel for the IMO's annual Honours for Exceptional Bravery at Sea and to attend the award ceremony. We monitor and participate as necessary in other IMO business, particularly the proceedings of the Marine Environment Protection Committee and Maritime Safety Committee and key sub committees.

We have enhanced our communications and media profile this year assisted by a specialist marine public relations firm and the work saw the publication of a string of positive articles about the industry. There is more about this and our engagement activities on Page 10.

The ISU Salvage sub-Committee met three times during the year and continued its valuable work on industry issues, providing advice and recommendations to the ISU Executive Committee. The Salvage sub-Committee is chaired by Eline Muller of Multiship supported by committee members Gordon Lorenson, Donjon Marine; Kyriakos Mitsotakis, Five Oceans Salvage; Daniel Dettor, Resolve Marine; Marjan Schuringa, Smit Salvage; Alexander Tsavlis, Tsavlis Salvage who were joined in 2024 by Naci Hoşcan, Aras Salvage and Maurice Schreurs, Smit Salvage.

# LEGAL ADVISER'S REPORT



Richard Gunn

The single biggest change in 2024 was the introduction of a revised Lloyd's Open Form. This revision abolished the old fixed costs arbitration procedure (FCAP) and introduced a more aptly named Fast Track Documents Only Procedure. For any cases where the total security demanded is less than US\$10M the assumption now is that FTDO will apply.

That brings with it a new set of procedural rules, incorporated into the revised Lloyd's Standard Arbitration Clauses 2024. Either party can nevertheless apply for there to be an oral hearing for example if the case is complex and it is expected that the Arbitrator will allow that.

For those cases that proceed down the FTDO route, costs are capped (as are Arbitrator's fees) and the timetable is expected to be tightly controlled. This should allow for an award earlier than might otherwise be expected where an oral hearing is necessary; equally it may lead to fewer settlements and the parties' cost exposure is limited (although only in respect of third party costs – each party will remain liable for its legal fees in the usual way).

2024 saw a small rise in the number of published Lloyd's Open Form Contracts - 16 (previously 14) noting that not all contracts are publicised. Of these, SCOPIC was incorporated in all of the contracts entered into that year. This is believed to be a first.

SCOPIC was actually invoked in nine services with a the balance of seven demonstrating that, at least for the year in question, the SCOPIC safety net assisted in ensuring the attendance of ISU members to troublesome casualties.

During the year seven awards were published, three of which were on appeal. All are available to read with no charge at the Lloyd's Salvage Arbitration Branch website - previously only available to subscribers - and they continue to demonstrate the detailed and expert consideration of the independent Arbitrators in applying internationally agreed legal concepts to the value of the services provided in any particular award.

Of interest is that of those seven awards only three involved vessels with cargo on board and, of those

three, in two, vessel interests had settled before the hearing took place.

The other main changes in the new LOF 2024 are a requirement for users to supply certain information about the services - such as pollution prevention - which it is hoped will help demonstrate the "ESG" benefits of using LOF. It is now also a requirement for parties that settle to provide information to Lloyd's about the settlement but the practical details of the requirement have yet to be determined.

Outside of the ISU, work also continued during 2024 within the insurance market on the possible wording of a "LOF default clause" to be used in insurance contracts. ISU has publicly stated its concerns that care needs to be taken that any such clause should not increase uncertainty and the risk of delay in contracting salvage services.

As ISU members are the prime users of LOF, the ISU participated in the process to select the panel of Lloyd's Salvage Arbitrators of which there are now five.

Lloyd's appoints an arbitrator on the "cab rank" principle when requested to do so by one or other of the parties. The panel now consists of Elizabeth Blackburn KC, Lionel Persey KC, Vasanti Selvaratnam KC, Michael Davey KC, Tim Hill KC, the latter two are new arbitrators.

In SCOPIC-related matters, the ISU reviewed and made recommendations regarding new and re-applying SCRs. ISU also agreed with the International Group of P&I the yearly SCOPIC Appendix A tariff increase which went live on 1 January 2025 for new and existing SCOPIC cases. New Terms of Reference were also agreed for the Lloyd's Salvage Group and the SCOPIC Committee to clarify participation and decision making.

Outside of arbitration, the Court of Appeal in London considered the challenge to the judgement of the Admiralty Judge Mr Justice Baker that there was "no contract" in a major salvage case and found that he was not wrong and dismissed the appeal by Owners. In truth this is not a judgement on salvage but is instead a judgement on the formation of contract; offer and acceptance. Where

## LEGAL ADVISER'S REPORT continued

there were discussions around an alternative time and materials-based contract, the Court accepted that, although agreement on remuneration was a first step to agreeing the contract, there remained further important terms to be agreed including the scope of services to be provided and the payment terms. There was never agreement reached as to that in this case.

Elsewhere, the ISU engaged at a senior level with BIMCO in revising its suite of wreck contracts. 2024 saw the introduction of a wholly new WreckStage 2024 contract which would allow, if the parties are so minded, incorporation of quantitative risk assessment (QRA) and the financial outcomes from that. The form however

can still be used in a more traditional operation. Work continues on the WreckHire revisions before the drafting committee will move on to WreckFixed. The ISU salvage sub-committee met three times in 2024 and the committee provided useful insight and support for the various negotiations and discussions taking place at industry level.

The ISU was represented on panels or provided individual speakers at numerous international fora and was particularly pleased to speak at the Comité Maritime International Colloquium at Gothenburg among other events.



# 2024 SALVAGE INDUSTRY STATISTICS

The ISU annual statistics are the only published measure of the state of the industry. The figures are for gross revenues from which salvors' costs must be met. The 2024 statistics show:

- Gross revenue for ISU members - US\$ 406 million (2023, US\$ 398 million)
- 191 services provided (2023, 184 services)
- Lloyd's Open Form (LOF) - 29 cases (2023, 16). LOF revenue up at US\$ 118 million (2023, US\$ 29 million)
- Wreck removal income - US\$ 205 million from 40 services (2023, US\$ 193 million from 30 services)

All numbers are gross income from which all the contractors' costs must be paid. Numbers are for income in the year received not the year when the service was provided.

The headline 2024 numbers show great consistency with the 2023 statistics and continue with the modest recovery from the low point of 2022. Emergency response services generated US\$ 181 million split between LOF, US\$ 118 million, and other contracts at \$63 million.

Wreck removal income was US\$ 205 million – very similar to the 2023 number of US\$ 193 million. Wreck removal income is important for ISU members and these numbers maintain the division of the industry's income at the typical levels of approximately 50:50 between emergency response and wreck removal

revenue.

The 2024 ISU statistics show an increased number of LOF cases - 29 for ISU members - generating income of US\$ 118 million. This is a notable increase on the previous year in which there were 16 LOF cases which had been the lowest level of LOF contracts for ISU members since the ISU started collecting statistics some 30 years ago.

SCOPIC revenue at US\$ 20 million in 2024 was up from US\$ 9 million previously.

The increased number of LOFs is notable but it is not possible attribute this to a specific cause given that the statistics are for the year when income is received, not when the services were provided. ISU believes that income based on awards under Article 13 of the Salvage Convention should be the cornerstone of funding the industry so the increase is welcome.

Revenue in 2024 from operations conducted under contracts other than LOF was US\$ 63 million. The average revenue from each non-LOF contract was US\$ 1.2 million.

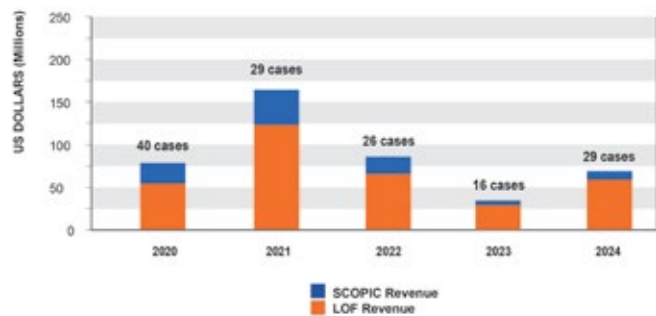
Wreck removal continues to be an important source of income for ISU members and in 2024 there was US\$ 205 million from 40 operations.

The ISU statistics are collected by a professional third party which aggregates and analyses them. The statistics do not include the revenues of non-ISU members. The statistics are for income received in the relevant year but that can include revenue relating to services provided in previous years and there can be an element of "time lag".

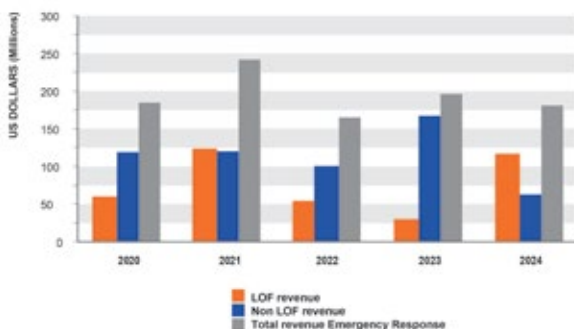
**Gross revenue all sources**



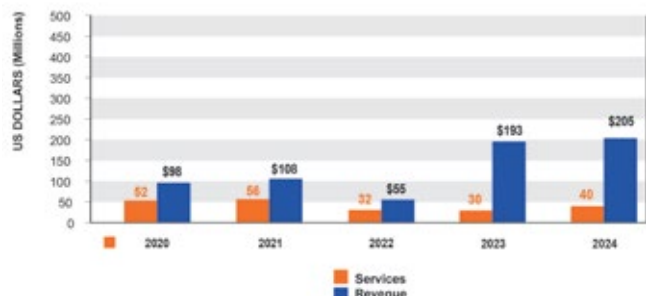
**LOF and SCOPIC revenue**



**Emergency response revenue**



**Wreck removal services and revenue**



# COMMUNICATIONS AND ENGAGEMENT

The International Salvage Union recognises the importance of good communications with its members and other stakeholders in the marine industries.

ISU tries to be open and transparent, sharing information and positions with others and negotiating on important matters in a constructive way. Where there are disagreements we hope they can be managed in a way that maintains dialogue and discussion and enables long term progress on matters of mutual concern for salvors, ship owners and their insurers.

Members of the ISU leadership team participate in important conferences – in 2024 we attended International Tug and Salvage in Dubai; the North Bund Shipping Forum in Shanghai; events at the biennial Posidonia in Greece; the World Maritime University Summer Academy and the Comite Maritime International's Colloquium. ISU President, John Witte, gave the keynote speech at the Salvage and Wreck Conference and Vice President Leendert Muller represented ISU on the salvage panel at the IUMI annual conference in Berlin.

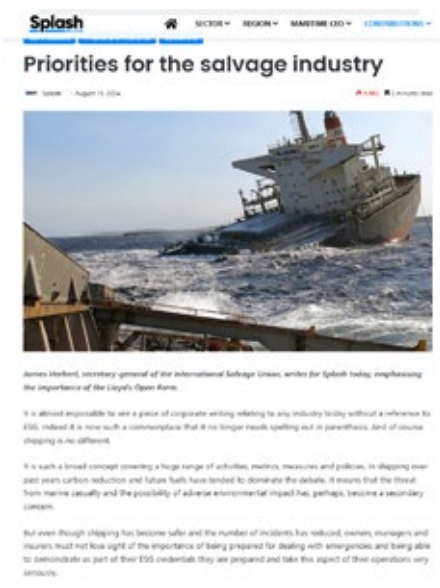
ISU continues to publish its quarterly newsletter, Salvage World, which reports the corporate and operational news of the ISU and its full members as well as news from its associate and affiliate members and the wider shipping industry.

It is a great way to show stakeholders and the wider shipping industry the important work we do including an insight into the operational challenges faced by members when they provide emergency response services or undertake wreck removals.



During 2024 we have also increased our use of social media focussing on LinkedIn with regular posts which has led to an increase in our followers.

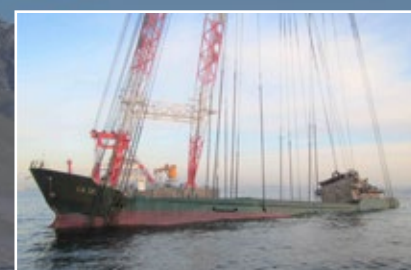
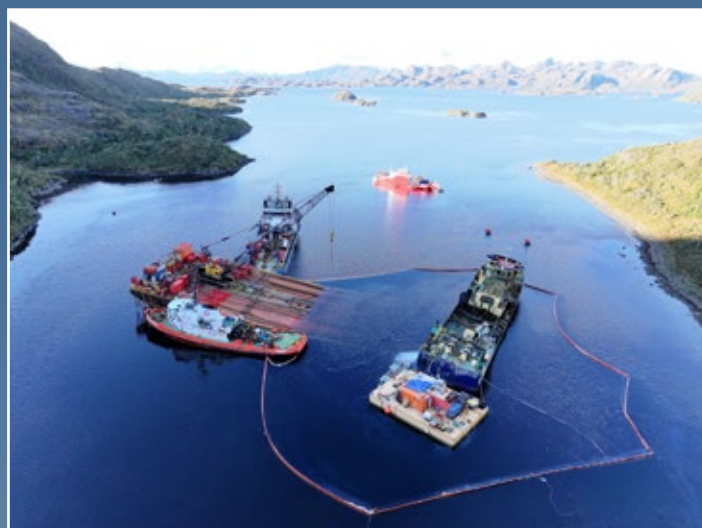
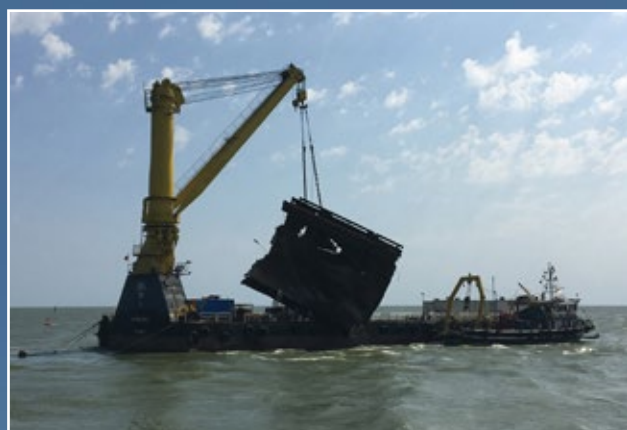
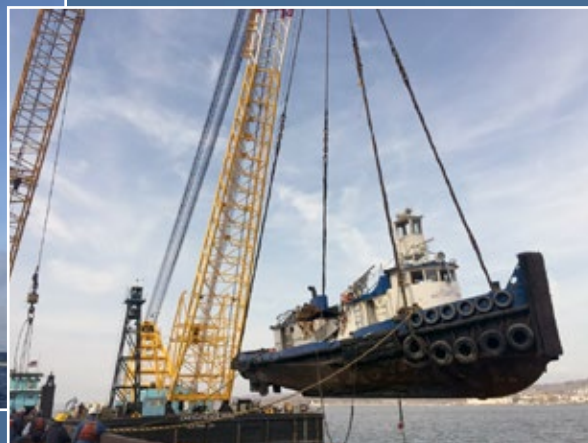
Good relations with shipping media are important and ISU maintains contact with key journalists and editors. Working with our retained shipping public relations firm, Elaborate, we have written and supplied a number of articles on salvage-related topics which have been published in the shipping press. It has been a good way to raise the profile of the industry and ensure better understanding of the services and benefits it delivers.



Enhanced media relations

# WRECK REMOVAL

In a typical year, wreck removal activities generate approximately half of the gross income of the ISU members. Wreck removals are always substantial operations often requiring much engineering, the use of specialist heavy lift equipment and in some cases the fabrication of bespoke equipment for the particular job. The sums of money can be very large and the contractual framework is important as is maintaining good relations and a cooperative approach to the project. The skill, expertise, experience and willingness of the contractor to take financial risk is central to the success of the operation. Owners, P&I Clubs and coastal state authorities need a cadre of capable and willing contractors available to do this work.



## ENVIRONMENTAL PROTECTION

In an era of “zero tolerance” of any impact from marine pollution the interventions of ISU members demonstrate their vital role, providing services to vessels carrying 2.4 million tonnes of potentially polluting cargo and fuel during operations in 2024.

Information from the ISU’s annual pollution prevention survey showed there were 162 services in 2024. The potential impact of incidents is getting larger, particularly in containership cases, and also because of the greatly increased amount of bunkers carried by the largest ships.

Each year there can be significant variations in the quantities of pollutants in each category. That is largely due to the major impact on the numbers of, for example, cases involving large crude carriers.

The number of containers in 2024 is notably higher than the previous year and, after bulk cargo, remains the most significant category with ISU members providing services to vessels carrying 41,000 TEU amounting to some 615,000 tonnes of cargo.

It compares with 400,000 tonnes of crude oil. It is well established that containers carrying a great variety of harmful and dangerous goods including

plastic pellets (nurdles) represent one of the biggest threats to the marine environment.

Cargoes of refined oil products increased again in 2024 but chemical cargoes dropped significantly. Dirty and hazardous bulk cargoes in 2024 were up at 923,000 tonnes. A number of the services in the survey did not record the quantity of bunkers or the cargo type meaning the reported numbers likely represent a more modest total than the reality.

ISU is transparent in noting that not all the potential pollutants were at immediate risk of going into the sea. Some cases will have had limited danger, but others will have carried a real risk of causing substantial environmental damage.

The survey was first conducted by ISU in 1994 and the methodology was updated in 2014 to include a wider range of potential pollutants including containers and hazardous and dirty bulk cargoes.

In the period 1994 to end-2024, ISU members have provided services to casualty vessels carrying 45,794,145 tonnes of potential pollutants, an average of 1.5 million tonnes per year.

2024 ISU POLLUTION PREVENTION SURVEY RESULTS (tonnes)		
	2024	2023
Number of services	162	173
Bunker fuel	73,747	81,053
Crude oil	399,817	187,229
Refined oil products	281,481	255,020
Chemicals	11,298	135,847
Bulk polluting/hazardous	923,433	769,325
TEU - tonnes equivalent	614,610	403,725
	(40,974 TEU)*	(26,915 TEU)*
Other pollutants	92,659	86,769
<b>Totals</b>	<b>2,397,045</b>	<b>1,918,995</b>

\*Nominal 15 tonnes per TEU

## AGM AND ASSOCIATE MEMBERS' DAY

The ISU held its 2024 AGM in Istanbul, Turkey, hosted by ISU member Aras Marine and it was an opportunity for ISU members, associates and dignitaries from the Turkish shipping industry and Istanbul civic society to meet and exchange views.

ISU members attended from all over the world including China, Japan and the Philippines as well as Argentina, Chile, South Africa and the Middle East as well as many from Europe, demonstrating the global reach of ISU. There were some 80 delegates from ISU full members.

The AGM conducted the formal business of the ISU - approving the re-election of Executive Committee members, considering the 2023 annual accounts and hearing reports from the secretariat before moving to an "open forum" for members to raise issues and discuss ISU policy.

The ISU Associate Members' Day conference was held at a spectacular new venue at the top of one of the most prestigious new towers in the City of London which continues to be a world centre for shipping, the law, insurance and finance, all of which come together in the salvage industry.

There were some 140 delegates who enjoyed a varied programme of talks and presentations.

In his opening address ISU President, John Witte, reminded delegates that different parties must do what they do best. Owners operating their ships, masters making decisions, insurers covering the risks and handling claims and salvors providing services when there is an emergency. He noted: "Together we all need to recognise that the cost of salvage should not be the focus but the value of what is saved."

The importance of the salvage industry was acknowledged by Secretary General of the International Chamber of Shipping, Guy Platten, who set out the owners' current issues and support for the salvage industry and there were operational case studies considering recent cases of ship fires.

Rodrigo Bella from ISU Philippines' member, Harbor Star, gave an engaging presentation about the great differences between salvage operations and shore line clean-up operations following a major clean-up performed last year.

The conference was followed by a reception.





This annual review is published by

International Salvage Union  
Beaufort House  
15 St Botolph Street  
London  
EC3A7BB

Email: [ISU@marine-salvage.com](mailto:ISU@marine-salvage.com)