

Russia's war on Ukraine – Maritime logistics and connectivity: State of play

Ukraine, an EU candidate country and one of the world's largest producers of grains and oilseeds, is heavily dependent on maritime transport and its maritime ports for the export of those products. Due to Russia's war on Ukraine, exports have been blocked and food prices have risen worldwide. Prior to the war, more than 90 % of these products, around 6 million tonnes, were exported via the Black Sea. Through the Black Sea Grain (BSG) Initiative and the EU Solidarity Lanes, these goods are being exported again, thereby improving maritime connectivity and logistics.

Background

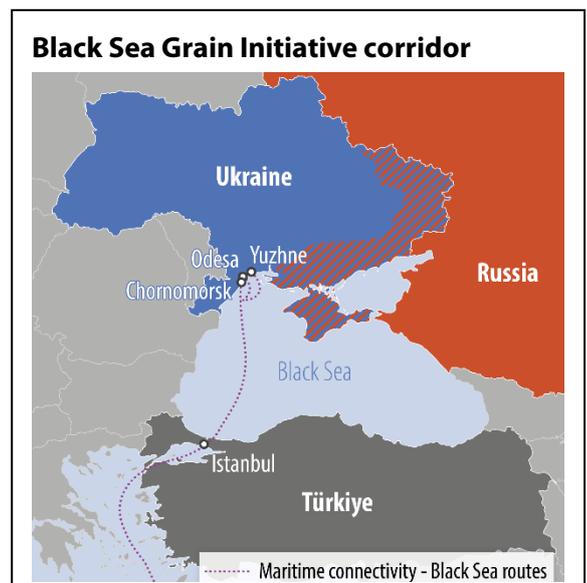
The blockade of Ukrainian ports in the Black Sea has had a major impact on food security worldwide. Russia and Ukraine exported about [34 %](#) of the world's wheat before the war, and [95 %](#) of that was shipped by sea. Maritime transport almost came to a standstill from February until August 2022, causing food prices to rise globally and making it impossible to ensure security of supply in many countries in Africa, Asia and Europe. To relieve the strained food market, Türkiye, Russia, Ukraine and the UN launched the [Black Sea Grain Initiative](#) (BSG) on 22 July 2022, involving, inter alia, the International Maritime Organization (IMO) regarding [maritime safety and security](#) and ship inspections. The IMO can also undertake search and rescue operations in armed conflicts, as well as evacuations of stranded ships and seafarers.

The BSG Initiative allows exports from several Black Sea ports, including Odesa (see map below). The implementation of this Initiative is facilitated by the [Joint Coordination Centre](#) (JCC) in Istanbul, which guides cargo ships from the Black Sea ports into international waters, avoiding mined areas, through a safe maritime corridor. Since the Initiative was signed, the total tonnage of grain and other foodstuffs exported from Ukrainian ports is [over 11 million](#) tonnes, through a total of 941 voyages (470 inbound and 471 outbound), as of [17 November 2022](#). A quarter of these shipments are going to lower income countries.

The BSG Initiative was initially agreed for 120 days, until 19 November 2022, with an option for extension. However, the Russian government [suspended](#) the Initiative, claiming that Ukraine had attacked the port of Sevastopol in late October 2022. With Türkiye's mediation, President Vladimir Putin agreed to resume the agreement on 2 November 2022, but reserved the right to end it at any time. Russia subsequently agreed, on 17 November, to an extension of the Initiative for another 120 days. The Initiative, combined with the existing [EU Solidarity Lanes](#), has already made it possible to export more than 25 million tonnes of grain.

EU action

The [European Union](#) condemned Russia's suspension of the BSG Initiative and urged Russia to reverse its decision immediately. Meanwhile, the G20 [urged](#) the extension of the BSG agreement as well. Following EU action and the latest sanctions [packages](#) in relation to maritime transport, EU ports are, at this moment, closed to Russian vessels. There is also a prohibition in place on exports to Russia of goods and technologies, including maritime ones. These [sanctions](#) have been welcomed by the European Parliament and are in place until 31 January 2023. They could be extended by the [EU](#), depending on developments in the war.



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The EU Maritime Safety Agency (EMSA) is continuing [flights](#) over the Black Sea to enhance maritime surveillance, for which they have made use of drones and satellites. In addition, [Russia](#) remains suspended from the [Paris Memorandum](#) of Understanding (MoU) on Port State Control.

On 10 November 2022, the [European Parliament](#) questioned the Commission on the role of Türkiye regarding Cypriot-flagged vessels or vessels operated by Cyprus, or another EU Member State, that are being prevented by Türkiye from engaging in the transport of grain and other goods under the BSG Initiative. In its [plenary session](#) of November 2022, during [question time](#) with the EU High Representative for Foreign and Security Policy, Parliament addressed the issue of the BSG Initiative in relation to third countries, including maritime aspects; it underlined that both the Initiative and the Solidarity Lanes are essential for food security worldwide.

Maritime shipping facts and figures – BSG Initiative

- The first shipment departed on 3 August 2022 with 26 000 tonnes of Ukrainian food to Lebanon.
- Since August 2022, the [JCC](#) has enabled the safe [movement](#) of 122 voyages to Ukraine (up to mid-September 2022).
- In total, over 11 million tonnes of cargo has been shipped (up to 16 November 2022).

Source: [CCAMLR](#) website.

In addition to the BSG Initiative, the EU remains committed to the continuation of the [Solidarity Lanes](#), comprising not only land corridors, but also transport by water. To develop the necessary infrastructure, the Commission announced, on 11 November 2022, the provision of [€1 billion](#) extra for Solidarity Lanes, to fight the global food crisis. The [Commission](#) made available €250 million in grants to boost the Solidarity Lanes in the short term and achieve quick improvements, using, in particular, mobile equipment to

reduce waiting times and improve movement through border crossing points and their access routes.

For the medium term, the TEN-T Connecting Europe Facility (CEF) has mobilised €50 million to support infrastructure projects, and the latest [CEF](#) call covers the Solidarity Lanes. The European Investment Bank ([EIB](#)) is now, besides other support, investing up to €300 million in projects that respond to the Solidarity Lanes, until the end of 2023. The [TEN-T revision](#) aims for broader connectivity and the extension of European transport corridors, including with Ukraine and Moldova. The [River Danube](#), which is connected to the Black Sea and the Black Sea Canal, has the potential to be used for the export and import of goods between Ukraine and Europe. However, current non-interoperability affects not only complementarity between transport modes, but also access to (maritime) ports.

Outlook

The Black Sea Deal remains fragile, as it depends on Russia, and when Odesa is under attack this causes loading problems for ships. In this light, further investment in infrastructure and the Solidarity Lanes, including investment in maritime connectivity and logistics, would be necessary. Support from the EU and its Member States, the UN and other parties is continuing in order to enhance and safeguard connectivity for the transport of important goods from and to Ukraine. Belgium, along with other countries, recently made an (additional) pledge, through a [joint bilateral statement](#), for grain shipments from Ukrainian ports to be open to more countries. Ukrainian President Volodymyr Zelenskyy indicated that some 60 ships would be carrying grain from Ukrainian ports to countries in the Global South by mid-2023, and the EU and around 20 countries have agreed to this [Grain from Ukraine](#) scheme.

However, prospects regarding the export of goods and related transport shipping prices, including bunker fuel prices, remain uncertain. Grain prices and shipping costs have been on the rise since 2020 and the war on Ukraine has exacerbated this global trend. The UN claimed that, between February and May 2022, the price for the transport of dry bulk goods increased by nearly [60 %](#). The current global surge in [costs](#), due to the war, shows that both crude oil prices and shipping prices have increased by 4 % compared to January 2022. The current [EU price cap](#) on Russian oil creates insurance problems and transport congestion for oil tankers sailing from the Black Sea via the Bosphorus to the Mediterranean.

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