

Callidus News

ADVOCATES, CONSULTANTS & NOTARY



BRANCHES: DUBAI | SINGAPORE | DELHI | MUMBAI | KOLKATA | CHENNAI | COCHIN info@calliduscmc.com

Dubai

Business Avenue Building
Office # 713, Port Saeed Road,
P.O. Box # 90992, Dubai, UAE.
Tel : +97142956664
Fax : +97142956099

Singapore

20 Maxwell Road
#04-02 D, Maxwell House
Singapore - 069113
Tel: +65 6221 4090

Delhi

D 1st 145 Basement (Rear)
Lajpat Nagar R 1
New Delhi - 110 024
Tel: +91 11 4132 1037

Mumbai

8-B, Dariya Building
2nd Floor, In between American
Dry Fruits & Zara, Dr. D.N.Road
Fort, Mumbai 400 001
Tel: 022-22853371

Chennai

Old No. 123, New No.255,
3rd Floor, Hussiana Manzil,
Ankapanaiken Street,
Parrys, Chennai - 600 001
Tel: +91 98 40 844463

Cochin

Near St. Joseph's High
School Chittoor Road,
Cochin - 12, India
Tel : +91 484 2391895
office@callidusindia.com

STRENGTHENING MARITIME & LEGAL TIES IN OMAN!

Callidus Legal is excited to announce the expansion of our operations in Oman, underscoring our commitment to providing top-tier legal services in the region. As part of this initiative, we recently hosted an exclusive seminar in collaboration with Hafedh Al Mahrouqi & Co. on February 26, 2025, at the Intercontinental Muscat.

The event brought together industry leaders, legal professionals, and business executives, fostering insightful discussions on maritime law, corporate compliance, and key legal developments. It served as an excellent platform to



strengthen relationships, explore collaborative opportunities, and showcase our expertise in Oman.

This expansion represents



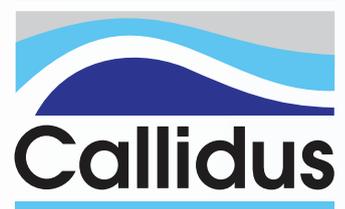
a significant step in our journey, ensuring that businesses operating in Oman receive seamless legal support backed by Callidus Legal's extensive industry knowledge. We extend our sincere gratitude to all attendees for making the event a resounding success ■



THOUGHT for the MONTH

Success is not the key to happiness. Happiness is the key to success. If you love what you are doing, you will be successful

ALBERT SCHWEITZER



THE IMPACT OF WAR AND OTHER INCIDENTS IN THE SHIPPING INDUSTRY



The shipping industry, a critical component of global trade, is often significantly affected by geopolitical conflicts and incidents. Wars, sanctions and other disruptions can lead to substantial challenges for the shipping companies, impacting everything from operations logistics to financial stability.

The Ripple Effect of War

One of the most recent examples is the war in Ukraine, which has caused widespread disruption to global shipping. The conflict has led to the closure of major ports, such as Odessa and a Russian Naval Blockade, trapping hundreds of Vessels and affecting the movement of essential goods. The war has also increased

shipping costs and longer transit times, exacerbating supply chain disruptions.

Geopolitical Tensions and Attacks

Geopolitical tensions in key maritime regions have significantly impacted the shipping industry, leading to increased operational costs, re-routed shipping lanes and heightened security concerns.

Maritime Conflict: Geopolitical tensions in various regions have led to attacks on ships using sophisticated weaponry such as ballistic missiles, anti-cruise missiles, and drones. These attacks have disrupted global shipping routes, forcing companies to re-route their vessels resulting in delays and increased costs. **Critical Maritime Corridors:** Critical maritime corridors,

which are essential for global trade, have been hotspots for geopolitical tensions. Territorial disputes and military activities in these areas have increased risks for shipping companies, necessitating enhanced security measures and careful route planning. **International Response:** In response to escalating tensions, international coalitions have launched initiatives to secure maritime navigation and safeguard trade flows. Efforts to protect shipping and restore regional stability have been implemented by various international bodies and coalitions.

Economic Consequences

The economic impact of these disruptions is profound. Increased fuel prices, higher insurance premiums, and

the need for additional security measures all contribute to rising operational costs for shipping companies. Additionally, sanctions and trade restrictions can limit access to key markets, further straining financial resources.

Environmental and Humanitarian Concerns

Beyond economic impacts, there are also environmental and humanitarian concerns. The destruction of infrastructure and the release of pollutants during conflicts can have long-term environmental effects. Moreover, the safety of seafarers is a constant concern, as they often find themselves caught in the crossfire of geopolitical conflicts.

The Impact of Sanctions

Sanctions can have a significant impact on the shipping industry, affecting both operational and financial aspects. For instance, recent sanctions imposed by the European Union and Britain on certain national airlines and shipping lines have restricted access to ports and frozen assets. These measures are part of broader efforts to curb support for conflicts.

Sanctions can also lead to increased costs for shipping companies, as they must navigate complex regulatory environments and ensure compliance with international laws. This can result in higher operational costs and potential reputational damage if companies are found to violate sanctions.

➤ **Increased Compliance Costs:** Sanctions impose a significant administrative burden on shipping companies. To comply with international sanctions regulations, companies must implement robust compliance programs. This includes continuous monitoring of transactions and thorough vetting of clients and cargo to ensure they are not linked to sanctioned entities, regular training for staff on compliance requirements and updates to sanctions lists, and

investment in advanced software solutions to monitor and manage compliance, which can be costly.

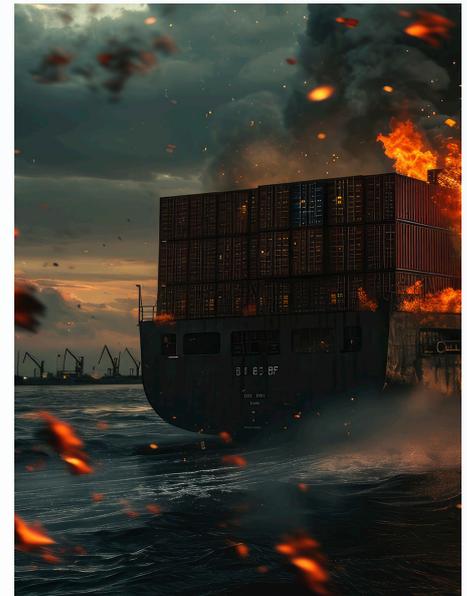
➤ **Operational Disruptions:** Sanctions can lead to the blacklisting of vessels, companies, and even ports, causing direct operational disruptions. Ships may be barred from certain ports, limiting their operational routes. Ships may need to take longer routes to avoid sanctioned areas, increasing fuel consumption and transit times. Some ports may refuse entry to vessels that have recently visited sanctioned countries, leading to logistical challenges.

➤ **Financial Risks:** Non-compliance with sanctions can result in hefty fines and penalties, as regulatory bodies can impose significant fines on companies violating sanctions. Companies found in violation may be denied banking and insurance services, severely hampering their operations. Defending against sanctions violations can lead to substantial legal expenses.

➤ **Reputational Damage:** Being linked to sanctions violations can harm a company's reputation, leading to a loss of business and trust from clients and partners. The negative publicity associated with sanctions violations can damage a company's brand and market position.

➤ **Shifts in Trade Alliances:** Sanctions can force shipping companies to reassess and alter their trade routes and partnerships. Companies may need to forge new trade alliances to navigate around sanctioned areas. Sanctions can shift market dynamics, leading to increased competition in non-sanctioned markets.

➤ **Humanitarian and Environmental Concerns:** Sanctions can have unintended humanitarian and environmental consequences. Sanctions may limit the movement of humanitarian aid, affecting



vulnerable populations in sanctioned countries. Rerouting ships can lead to increased fuel consumption and emissions, impacting the environment.

➤ **Recent Examples:** Sanctions on certain national shipping industries have restricted their access to global markets and increased operational costs for companies doing business with these nations. Sanctions related to ongoing conflicts have led to increased shipping costs, disrupted trade routes, and created a volatile environment for global shipping.

The Way Forward

To mitigate these challenges, the shipping industry must adopt a proactive approach. This includes investing in advanced security measures, such as armed guards and cybersecurity protocols, and collaborating with international organizations to ensure the safety of maritime routes. Additionally, diversifying supply chains and exploring alternative routes can help reduce the impact of disruptions. In conclusion, while the shipping industry is resilient, it is not immune to the effects of war and geopolitical tensions. By staying informed and prepared, shipping companies can navigate these challenges and continue to play a vital role in global trade ■

FUJAIRAH TERMINALS HANDLES GAS TURBINES FOR POWER PLANT PROJECT



Fujairah Terminals, part of the AD Ports Group, has recently achieved a significant milestone by handling three of the largest gas turbines ever to be moved through a UAE port. These turbines, destined for the Fujairah F3 Power Plant Project, each weighed 528 tonnes and had impressive dimensions—13.85 meters in length, 6.12 meters in width, and 5.98 meters in height. The project required meticulous planning and coordination, bringing in a team of specialized

operational and safety experts to ensure safe handling and delivery.

Heavy lifting and transport specialist Mammoet was engaged to oversee the transport and installation of the turbines, collaborating closely with Fujairah Terminals. Abdulaziz Al Balooshi, CEO of Fujairah Terminals, highlighted the team's exceptional work in completing the project in record time while upholding high standards of safety and efficiency.

Fujairah Terminals, established in 2017 through a 35-year concession agreement between AD Ports Group and the Port of Fujairah, stands as the only multi-purpose terminal on the UAE's eastern seaboard. As part of its expansion, the terminal reached a significant milestone in 2021, enhancing its infrastructure to support an annual capacity of 720,000 TEUs and 1.3 million tons of general cargo ■

www.themaritimstandard.com

Address: Near St. Joseph's High School, Chittoor Road, Cochin- 12, India, T: +91 484 2391895, office@callidusindia.com

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