

Welcome

Welcome once again to another Seacurus Monthly Bulletin – this is a very special one, as it's our first issue since being acquired by Barbican Group Holdings Limited (Barbican).

We are about to enter a very exciting time for the company. Since its establishment in 2004, Seacurus has focused specifically on revenue protection in the marine insurance market – whether it's kidnap & ransom insurance, or crew protection, we have offered the shipping industry innovative and market leading solutions to manage a wide variety of operating and financial risks.

Barbican is a diverse insurance and reinsurance business formed in 2007 and headquartered in Guernsey. It is established as an innovative and specialist underwriter across a broad range of business lines, supporting and meeting the needs of brokers and their clients in the UK and around the world.

The Barbican Group trades at Lloyd's as Barbican Syndicate 1955, with a stamp capacity for 2013 of £210 million. In addition to Syndicate 1955, the Group includes a non-Lloyd's Financial Solutions business, underwritten by Barbican Reinsurance Company Limited, based in Guernsey.

Seacurus will continue to operate under its current brand, and that is true – so while there have been positive changes it will be very much business as usual.

From the outset it was clear to see the synergies between Seacurus and Barbican, not only in terms of the portfolios of business, but also the culture which exists in each organisation. From our perspective, becoming part of Barbican provides us with an excellent platform from which to further expand and enhance the comprehensive range of bespoke solutions we deliver to our clients in the shipping industry.

Speaking of the acquisition David Reeves, chief executive officer of Barbican, said "It marks a significant milestone in the continuing growth of the company's marine operations. In recognising that Seacurus has built a leading position within the marine insurance broking

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sector, particularly in the kidnap & ransom arena." They praised our success and the experience and expertise of the whole team. We are grateful to all who have worked so hard to get us to this position, and now we will deliver within the new structure.

So we'd like to thank you for your support and as a new and exciting chapter begins for Seacurus, we look forward to working closely with our new colleagues and old clients alike as we work to achieve continued success.



Captain Thomas Brown
Managing Director –
Seacurus Limited

Seafarer Suffering



Last month saw the much heralded “International Day of the Seafarer”, an annual bow to the vital task that seafarers around the world perform for society and a nod to the difficulty and danger of their jobs.

This year’s celebration coincided with an incident that underscores the vast gap between society’s debt to seafarers and its efforts to support even the most common standards of human decency for crew abandoned on bankrupt owners’ ships.

The most high-profile case of abandonment is that of the 20 seafarers on “A Whale”, the 320,000 dwt combination ore carrier owned by an independent company controlled by Today Makes Tomorrow, which is headed up by Nobu Su.

TMT filed for bankruptcy in Houston, Texas, last month and the case has had its first court hearings in the US.

Meanwhile, while the wheels of financial justice and bankruptcy protection turn, the pressure has been building on the seafarers caught up in the fallout. The master of “A Whale” Khan Jubair Niaz and his crew have even turned to emailing humanitarian agencies and the press, so they can detail the neglect and suffering they have encountered.

Without funds or cargo, the ship has not budged from its anchorage off Suez for five months, and the toll has started to tell on the crew held captive by the stalemate.

TMT made assurances back in early in May that it would pay the crew their estimated \$400,000-plus of back pay and would repatriate the 18 Indians, one Bangladeshi and one Pakistani national. Alas it seems this promise has come to nothing, and Captain Niaz says no action has been taken, more than a month since TMT sent out its first reassurance.

On May 9, TMT claimed: “This is an isolated incident due to a series of unforeseen events. TMT will pay the crew’s salary imminently and hopes that this will put an end to a situation which neither side wanted.”

TMT has \$1.52bn in assets and \$1.46bn in liabilities, according to court records. Seven of its ships are

arrested, with some already on sale. This is beginning to have a dreadful effect on the seafarers caught up in the drama.

The 20 crew on board "A Whale", have barely enough bunkers left to maintain power, water is running low, and tensions are so high that fights have broken out onboard.

Capt Niaz describes "A Whale" crew's position as that of "hostages", and there are claims they are being forced to remain onboard to ensure that the vessel remains in a fit state for sale. However it remains TMT's responsibility to pay the crew, and they may well be forced to act sooner rather than later.

In light of the reports from the vessel and the pleas of the seafarers, the charity Sailors' Society has appealed to the Liberian Registry to assist the ship by providing bunkers and supplies.

According to Lloyd's List, the registry has imposed a deadline of July 4 for delivery of bunkers and supplies, which is off Suez. If the deadline is not met, the registry will seize the ship, repatriate the crew and sue TMT for the cost, a spokesperson confirmed.

Naturally we hope that action is taken to secure the repatriation and settlement of wages of the poor crew who have been placed through such heartache and hardship. It has been the emails from the master which have done so much to bring this sorry case into wider attention, and the timing with the Day of the Seafarer highlight just how far shipping still has to go in caring for its people, and ensuring that the stakeholders remember not just the efforts, sacrifices and exertions of those who labour over the horizon., but the moral and legal imperative to care for them too.

It is actually away from the IMO's official campaign and the special day for seafarers that it is arguably becomes even more important that we are able to rally to the cause of those at sea.

With seafarer abandonments on the rise, with criminalisation biting into professionalism it is the other 364 days of the year which are when the improvements really need to happen. The Maritime Labour Convention beckons, and many believe that this will solve the ills of an industry which places an over reliance on its people, but under rewards and recognises their struggles.

While there is no social media toolkit for the rest of the year, we hope that the theme for Day of the Seafarer will continue to raise the profile of the "unsung heroes of shipping" – the seafarers themselves. Today is a chance to , more than ever, spotlight the human face of shipping and the sacrifices that seafarers make.

We hope that with so many companies falling into financial hardship, that the industry will continue to focus on seafarers, what they do, why and who they do it. It is vital that the industry works together to tackle abuse, abandonments, piracy and safety breaches. We support the calls to use the whole year to really make a difference, and then we can spend the Day of the Seafarer celebrating success, rather than highlighting the failures.

Arresting Area



With ship arrests set to rise, the industry is beginning to get a feel for the best jurisdictions in which to bring actions against debtors. There are many regimes which are friendly to arresting parties, and lawyers are starting to look to the best places to spring arrests and to recover assets for their clients.

Haco van der Houven van Oordt, a partner in Rotterdam law firm AKD, says creditors of bankrupt companies including STX Pan Ocean and Tomorrow Makes Tomorrow (TMT) could use favourable laws in the Amsterdam-Rotterdam-Antwerp (ARA) region to arrest vessels, Maritime Executive reports.

“The recent reports of bankruptcies and voluntary liquidation proceedings involving shipping companies have now reached levels which exceed any in recent memory,” he said.

The lawyer noted that STX Pan Ocean, South Korea’s largest dry bulk shipper, is seeking recognition of protection orders to protect it from creditors arresting a “significant part of its fleet operating around the world.”

The company has been warned that bankruptcy protection does not apply everywhere in the world. “It is reported that several of STX Pan Ocean’s creditors have already arrested vessels in China, and we expect creditors also to turn to the Netherlands, which adopts a territorial approach to bankruptcy,” he said.

"It would be surprising if we did not see creditors looking increasingly to the ARA region. This means that creditors can still take action against the assets of STX Pan Ocean in the Netherlands despite the existence of bankruptcy proceedings and protection orders."

The Netherlands makes it relatively easy to take action against ships based on debts owed by their owners, which means that vessels calling at Rotterdam and Amsterdam, as well as those going over the River Scheldt to Antwerp and Ghent, could face arrest.

"It would be surprising if we did not see creditors looking increasingly to the ARA region in the wake of the continuing fall-out from the bankruptcies of major shipping groups," Houven van Oordt said.

TMT announced last month that 23 of its affiliated single-ship companies had filed for bankruptcy protection, and STX Pan Ocean has had several vessels arrested since filing for bankruptcy earlier this month.

That said, according to some shipping experts banks thinking about moving on assets which are under water in today's depressed market should avoid being too aggressive.

Head of shipping at DVB, Dagfinn Lunde believes banks are adopting a less passive attitude, but warns a hard-line approach is never the right choice. Lunde, who has previously voiced willingness to "take back the keys" from shipowners believes that banks should never be aggressive.

Speaking at Nor-Shipping in Oslo, Lunde said every time banks have been aggressive it has ended in "disaster." However, as more and more companies default the noose of arrest tightens, potentially forcing some players out of business. Once this happens, then the banks have no option but to do something with their newly acquired, yet seemingly unwanted assets.

The most likely outcome is for owners and banks to look to sell – and it seems that Chennai, India is now a happening place for sale of second-hand ships thanks to the Madras high court which often auctions abandoned ships.

The latest in the list is a Marshall Island-flagged vessel "Chemical Arrow", now stationed at Kakinada. The chemical tanker was chartered by Darangadara Chemical Works (DCW) in Thoothukudi to carry caustic soda for National Aluminium at Visakhapatnam. While on transit, the vessel suffered engine failure and began to drift towards Visakhapatnam coast and was finally towed to Kakinada in March this year.

As many as 16 crew members and officers hailing from Ukraine, Indonesia and Philippines were left stranded in the ship. "The crew members were not paid their salaries", and once again the ugly side of shipping rears its head as abandonments begin to bite.

Payment Insult to Piracy Injury

It is not only when vessels run into financial hardships that seafarers are abandoned. It seems, according to new research that seafarers who have undergone the strain and danger of being hijacked or have been taken hostage are finding that their troubles do not end when they are released and repatriated.

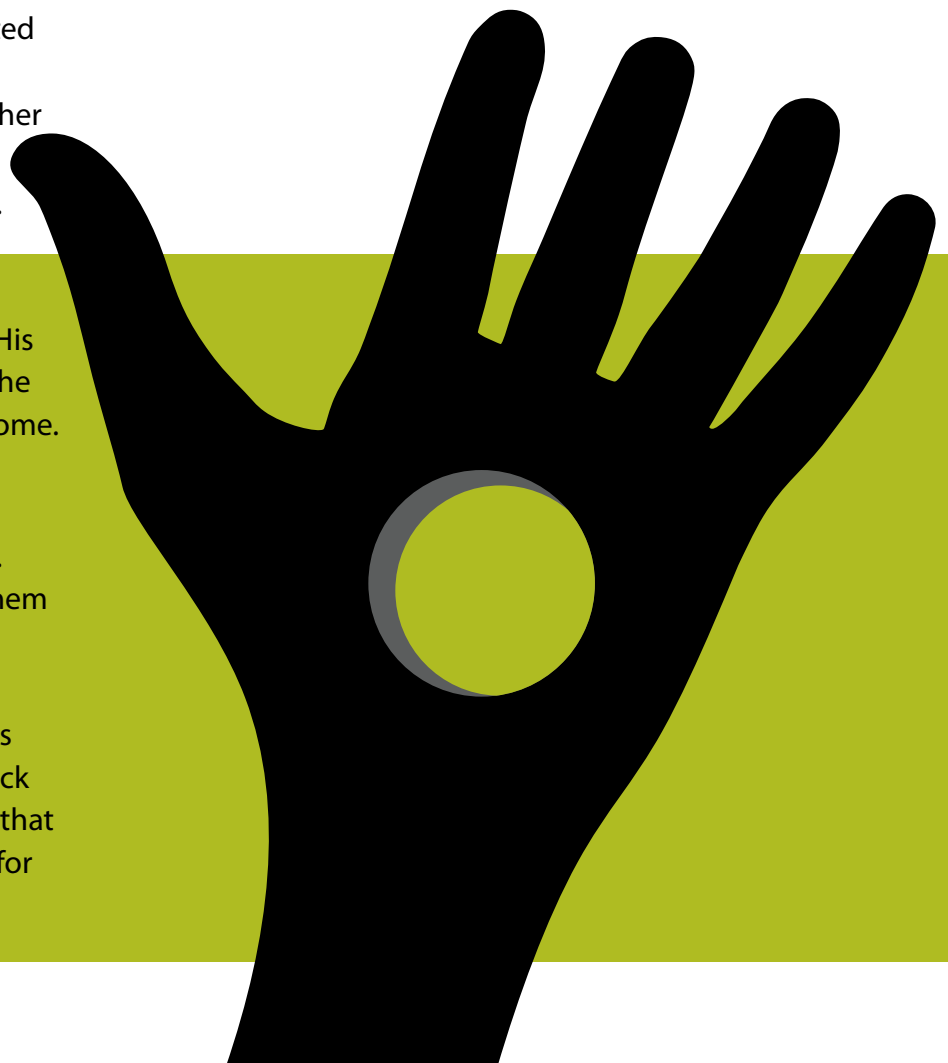
However, according to the report *The Human Cost of Piracy 2012* produced by Oceans Beyond Piracy (OBP), the International Maritime Bureau and Maritime Piracy Humanitarian Response Programme, all too many seafarers are not receiving their owed salaries when they are released from captivity.

The problem is not universal — it depends on the employer, but it seems a high percentage of seafarers who have endured a hostage ordeal report negative treatment regarding reimbursement and compensation.

In the OBP report, one seafarer reported losing an estimated \$7,000 in pay, his wedding ring, a mobile phone and other personal items, only to have the company involved question his claim.

Another reported that, after a seven-month ordeal, he received just \$500. His monthly wages were left unpaid and he struggled to find the cash to return home. Some 62% of the victims that OBP interviewed said they did not receive compensation for lost personal items. Another 62% said payments due to them were delayed.

Perhaps unsurprisingly, most seafarers who suffered the double insult of hijack and lost pay felt betrayed or angered that they did not receive financial redress for their trials.



One problem, which emerged from the research, is that pirates often rob seafarers during a hijacking, taking more in goods than the \$2,000 cover required by the Philippines Overseas Employment Agency (POEA). So there is a gap in cover where no additional insurance is provided.

Also it was stated that some employers required seafarers to sign “quit-claim” documents before reimbursing them. OBP noted that quit-claims are inappropriate for trauma situations such as a piracy incident.

More than two-thirds, 69% of the seafarers interviewed, planned to return to sea, but that may reflect the fact that, despite danger and hardships, seafaring is still the best option for the seafarer and his or her family.

Stats Attacked

While the Human Cost of Piracy 2012 report produced by Oceans Beyond Piracy, has received praise for highlighting a number of industry concerns, there has been some criticism too.

Leading market sources have uniformly dismissed the huge West African piracy insurance figures cited in the widely publicised report. According to the press, critics have called them “overstated and not reflecting commercial reality”.

While the insurance industry has united in greeting the claims and the figures it quotes with scepticism it is recognised that calculating the true insurance costs are an exceedingly difficult proposition.

However, that doesn’t mean that figures can simply be plucked from the air, guesstimated - or simply made up. According to the report \$275m is spent annually on war-risk premiums and a further \$83m-\$125m in kidnap and ransom premiums for transits into West Africa. The total insurance cost for the Gulf of Guinea region is therefore estimated to have been between \$423m-\$437m in 2012.

The Lloyd’s Market Association claims the figures quoted for West Africa comfortably exceed the estimated global premium of \$250m in this class, and underwriters claim to have “no idea” what those numbers represent.

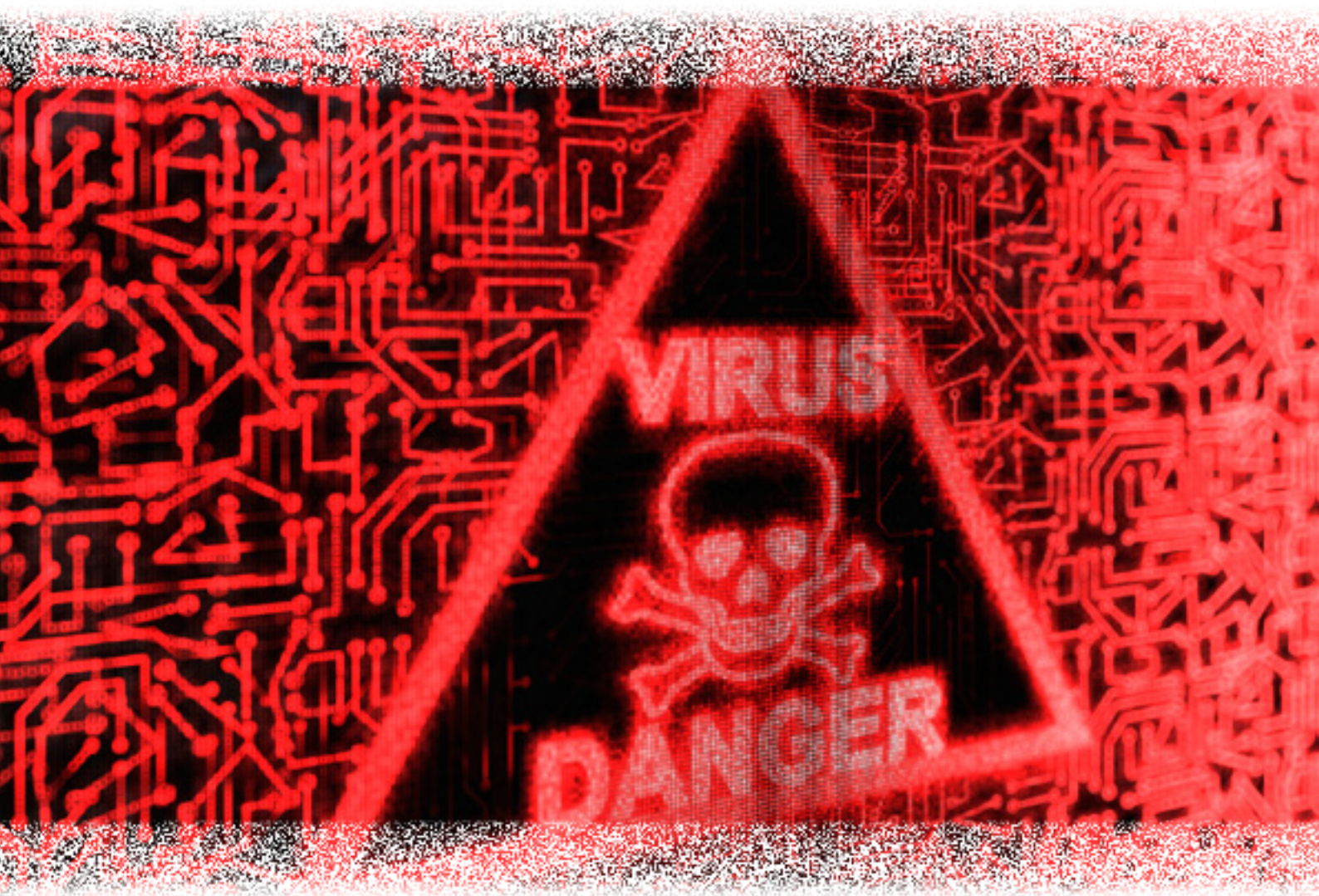
While the statistics relating to cover may be up for debate, what is more clear is the growth of the piracy problems off West Africa. To the extent that piracy in the region has now currently overtaken Somali piracy, according to the latest report by the International Maritime Bureau (IMB).

The latest IMB attack data records a total of 966 attacks in West Africa in 2012, compared with 851 such incidents by Somali pirates. West African pirates mostly steal fuel cargo and the crews' possessions, often resorting to extreme violence.

Even more worryingly, five of the 206 hostages seized last year off West Africa have been killed, the document says. It says that despite the growing number of pirate attacks in West Africa's Gulf of Guinea region "the area has not received the attention that was brought to Somalia".

This lack of attention is perhaps all the more puzzling as booming oil, mining, infrastructure and power generation sectors have transformed West Africa into a major destination for project cargo. West Africa is also exporting raw materials and importing consumer goods.

While trade largely depends on sea-based transport, this should be good news for the maritime industry. However, increasingly owners are refusing to send their vessels to Nigeria and the US is pondering a ban on vessels in the area, resulting in lost revenue for both operators and brokers and an operational challenge for the intended charterer. There are cargoes left without much needed vessels.



The area is seeing commercial and operational activities severely affected but there is reluctance to address the issue, and so it has needed intervention on a governmental level. This has finally seen West African leaders call for the deployment of an international naval force to curb the growing threat of piracy off the Gulf of Guinea.

Piracy in the region needed to be tackled with “firmness”, Ivory Coast’s President Alassane Ouattara said. He added, “I urge the international community to show the same firmness in the Gulf of Guinea as displayed in the Gulf of Aden, where the presence of international naval forces has helped to drastically reduce acts of piracy.”

The West African heads of state are not content to simply wait for international action though – as they have recently adopted a code to fight growing piracy in their coastal waters that includes the use of arrests, prosecutions and seizures of ships, to try and curb anti-piracy activities,

As the net hopefully begins to close on the West African security frailties, the Joint War Committee (JWC) has responded by adding the waters of Togo’s exclusive economic zones north of latitude 3° N to its listed area for West Africa. It has not, however expanded the region’s high-risk area any further.

The JWC last altered the listed areas on March 28, 2012, although many in the industry had expected it to extend the high-risk area in West Africa again. If the number of attacks continue to spiral, it may be forced to make further difficult decisions.

The last month saw yet another rash of attacks in the area, with supply vessels attacked from speed boats, crew kidnapped and cargoes and belongings ransacked.

West African Code of Conduct

Twenty two African States last month signed up to a Code of Conduct concerning the prevention of piracy, armed robbery against ships and illicit maritime activity in West and Central Africa. The Code was adopted formally by the Heads of State meeting in Yaoundé, Cameroon, on 25 June, attended by 13 Heads of State from West and Central African countries.

The Code was signed in Yaoundé by Ministers of Foreign Affairs or other delegates, bringing it into effect for the 22 signatory States: Angola, Benin, Cameroon, Cape Verde, Chad, the Congo, Cote d'Ivoire, the Democratic Republic of the Congo, Gabon, Gambia, Ghana, Guinea, Guinea-Bissau, Equatorial Guinea, Liberia, Mali, Niger, Nigeria, Senegal, Sierra Leone, Sao Tome and Principe and Togo.

The new Code was developed by the Economic Community of West African States (ECOWAS), the Economic Community of Central African States (ECCAS) and the Gulf of Guinea Commission, pursuant to United Nations Security Council resolutions 2018(2011) and 2039(2012), which expressed concern about the threat that piracy and armed robbery at sea in the Gulf of Guinea pose to international navigation, security and the economic development of states in the region.

These resolutions encouraged the States to develop a comprehensive regional strategy and framework to counter piracy and armed robbery, including information sharing and operational coordination mechanisms in the region, and to build on existing initiatives, such as those under the auspices of IMO.

Signatories to the Code intend to co-operate to the fullest possible extent in the prevention and repression of piracy and armed robbery against ships, transnational organized crime in the maritime domain, maritime terrorism, illegal, unreported and unregulated (IUU) fishing and other illegal activities at sea with a view towards:

- a) sharing and reporting relevant information;
- b) interdicting ships and/or aircraft suspected of engaging in such illegal activities at sea;
- c) ensuring that persons committing or attempting to commit illegal activities at sea are apprehended and prosecuted; and
- d) facilitating proper care, treatment, and repatriation for seafarers, fishermen, other shipboard personnel and passengers subject to illegal activities at sea, particularly those who have been subjected to violence.

Whilst promoting regional co-operation, the Code recognizes the principles of sovereign equality and territorial integrity of States and that of non-intervention in the domestic affairs of other States.

The signing was greeted with warm praise by the IMO Secretary General, Mr Sekimizu. In a speech he stated, "I am fully committed to assisting Western and Central African countries to establishing a workable, regional mechanism of co-operation for enhanced maritime security. Maritime development is an essential component of African development and maritime zone security is fundamentally important".

The Secretary General also noted that the Code incorporates many elements of the successful Djibouti Code of Conduct, which has been signed by 20 States in the western Indian Ocean and Gulf of Aden area, and the existing Memorandum of Understanding on the integrated coastguard function network in west and central Africa, which was developed in 2008 by IMO and the Maritime Organization of West and Central Africa (MOWCA).

There were also calls for financial assistance, and Mr. Sekimizu has called on countries to provide contributions for a new trust fund to be established by IMO for the implementation of IMO Projects for maritime security for western and central Africa.

The new multi-donor trust fund will support an expanded programme of capacity-building activities in west and central Africa, to better enable the Organization to work with Member States, United Nations agencies and other international and regional development partners for the benefit of safe, secure and sustainable development of the African maritime sector

Areas of Risk

With the monsoon conditions which currently sit over the Indian Ocean, there is a marked effect on Somali based piracy. This sees attention turn to the other problem areas, namely West Africa and South East Asia.

Here we examine the key issues surrounding these very different security challenges.



Piracy off West Africa now is different to that off East Africa, why?

The rise of different types of maritime crime, and indeed piracy are based upon the underlying factors of the area and the available targets. At the most basic level Somali pirates were fishermen whose catches were affected, so decided to hijack ships and hold seafarers for ransom. Off West Africa the target was oil – the region is a major exporter, and with oil prices having reached all-time highs it would appear to have been an obvious and attractive choice of target. Pirates began to target tankers, and would hold them while they stole the cargo. This was the genesis of the current problem, and we are now seeing variations on this theme.

How far can the same practices that have been applied in East to reduce piracy be applied in West?

Currently the same practices which have had marked success in the East of the continent are not being applied, for many different reasons. Whereas Somalia was deemed a “failed State” and its waters were open to international intervention the same cannot be said over on the West coast. The nations which skirt the Gulf of Guinea are understandably protective of their sovereign territory, and they also have strict laws which do not allow for the use of international private maritime companies to provide an armed protection and deterrent.

Last month saw four hijackings off the coast of Nigeria where container vessels have been hijacked and crew held which resembles the attacks in the East. What might be the reasons for this?

The past weeks have seen attacks which seemingly indicate that pirates in the Gulf of Guinea are expanding their operational range and also becoming increasingly interested in kidnap and ransom. The reason for this is probably as basic as that which prompted the piracy boom off Somalia, in so far as it's a "good payer". Hijacking vessels and taking seafarers as hostage has proven to be a very lucrative crime, and one which is relatively easy to perpetrate.

What are the States in the region doing to tackle piracy?

The latest wave of attacks has prompted pledges to combat piracy and maritime crime in their coastal waters. Ministers in a range of affected States have called for governments to arrest and prosecute suspected pirates and seize any vessels believed to have been used in acts of piracy. In one major development, West African countries are set to launch a major anti-crime tool: an automated database to centralise and share intelligence, the West African Police Information System (WAPIS) will make it possible to share intelligence quickly across the region in order to tackle cross-border crime in the region.

Will we see a time when privately contracted armed security personnel will be used in West Africa and if so – what will it take for this to happen?

There have seemingly been some moves to facilitate the use of international privately contracted armed security personnel (PCASP), with licenses reportedly issued by Cape Verde. However, it is not yet clear how this will work and if it will be a blueprint for their wider use. The issue currently hangs in the balance, local nations are seemingly being pricked into a response and a range of initiatives are being rolled out. However, if these fail to deliver, and if the attacks continue to rise and if more seafarers are kidnapped, then pressure will build to implement more prosaic security measures, such as those which have had a significant on the safety and security of vessels in the Indian Ocean. In short, unless the alternatives deliver swift results it is likely that armed guards will ultimately be used.

Is shipping doing enough to protect itself?

There is only so much that shipping can do to protect itself, over and above that it needs political intervention and effective action. As we have heard with regards to Somali, the battles at sea against pirates will continue until the "war" on piracy is won ashore. It remains that governments and the international community must find common ground and effective fixes.

It is fair to say that piracy is a “tropical disease”, in so far as over 99% of reported attacks occur within the Tropics of Capricorn and Cancer, and it is an extremely complicated issue, from a legal, political and security perspective. The cruel irony of piracy is that it is most prevalent in nations least equipped to deal with the problem, and involves political, economic and geographic reasons.

Shipowners can only do so much, and thankfully they are able to turn to the insurers to allow them to transfer some of the risk. Without the pragmatic actions of shipping, and without the provision of insurance global trade would have already been brought to its knees by modern piracy.

What about other problems areas?

Security concerns conspire to give us piracy in SE Asia, off the Indian Subcontinent, the Horn of Africa, West Africa and in parts of the Caribbean. Until these issues are understood and addressed, then it will not be possible to find a “cure” for piracy.

Is piracy still a problem in South-East Asia?

Long before the recent piracy epidemic off Africa, attacks off Asian ports and inside the region’s waters were commonplace. While various local and international initiatives have reduced the overall scale of attacks, the means and capability to attack ships still exist.

This means that piracy in South-East Asia is certainly still a problem. As law enforcement efforts wax and wane so too do the levels of attacks. Areas such as Bangladesh, Indonesia, Malacca Straits, the Singapore Straits and South China Sea often experience attacks.

These vary in scale and scope from opportunistic robbers targeting ships at anchor, through to gangs armed with guns / knives and / or machetes attacking vessels during the night, and attacks launched from boats on passing ships.

Are the numbers of incidents on the rise, or falling?

The impression as to whether piracy is rising or falling in South-East Asia appears to depend on which agency or source you choose to believe.

According to The Regional Cooperation Agreement on Combating Piracy and Armed Robbery against Ships in Asia (ReCAAP) piracy and incidents of robberies at sea have fallen in south and Southeast Asia in first-quarter 2013.

Though combined figures from other open sources such as the IMB and IMO, suggest that the pirates are holding their own and are able to maintain a steady and consistent threat.

Where does the major threat of piracy in the region come from?

The nature and scale of attacks in various locations changes frequently and shipowners should be constantly aware of the up-to-date threats facing them.

At a most basic level it appears that two fundamental types of piracy have developed in SE Asia: these include crimes of opportunity where vessels are boarded and the pirates make off with whatever isn't bolted down (seaborne muggers).

While there is a more sinister, violent form of piracy which sees planned raids in which pirates seem to be party to information concerning ships, their routes and cargoes.

Organised crime continues to be an increasing part of the piracy problem. According to the IMO, a number of Asian crime syndicates with mafia-style organisations in Indonesia, the Philippines, Hong Kong and mainland China have enough trans-national sophistication to make money from high seas piracy on a regular basis.

Is there still a need for heightened security fears at sea and in ports throughout South-East Asia and what can ships do to protect themselves from attacks?

The simple answer to this is a resounding yes. Piracy is still a very real and live threat, and seafarers and shipowners ignore it at their peril.

Thankfully law enforcement agencies in the region have a fairly good record of developing responses and investing in them. Also, the current regional maritime tensions have seen a rise in naval assets patrolling, and this may have a positive unintended consequence of reducing piracy.

In order to protect vessels from attack it is important that threats are understood and appreciated, and so too the vulnerabilities of the vessel. There is a raft of legislation to comply with, and vessels should have ship security plans in place as part of their International Ship and Port Facility Security (ISPS) Code provisions. Also, since the rise of piracy off Somalia much work has gone into developing industry best management practices (BMPs) to ensure that vessels are able to implement self-protective measures.

While the BMPs focus on Somali based piracy, there are many transferrable lessons which can be applied wherever a vessel trades. The private maritime security industry is also available to provide clients with a range of options, ranging from equipment, technology and hardware, through to intelligence and onboard guards.

Seacurus Sponsors Humanitarian Event

Liverpool was the setting for a recent charity screening of the tense, dramatic and critically acclaimed movie, "A HIJACKING", aimed at raising funds for the Maritime Piracy Humanitarian Response Programme (MPHRP).

The film, an edgy uptight and chilling drama, follows the emotional journey of a ship's crew as they are taken hostage in the Indian Ocean.

The film was the standout entry at 2012 Venice and Toronto Film Festivals and stars familiar faces from hit TV series' Borgen and The Killing. It tells of the intertwined stories of a crew held in captivity, and the offices of the stressed shipowners desperately trying to deal with the pirates to gain their freedom and the release of the vessel.



Claustrophobic and compelling, the movie captures the sweaty, seething, sneering cruelty of the pirates as they look to barter the lives of innocents for dollars, millions and millions of dollars. The film is based on real life events, and features the gripping, dreadful story of tortured seafarers facing a living hell at the hands of their cruel, captors. Staring down the barrel of an AK47, the battered, bruised and half-starved crew barely exist through months of mental and physical torture as the pirates look to raise the real life stakes in this ultimate game of brinksmanship.

Seacurus was pleased to support the event, and screening organiser Gianna Molica-Franco says, "The event held on behalf of the Maritime Piracy Humanitarian Response Programme has relied on the generous support of sponsors, and we are extremely grateful to Seacurus kind donation and assistance". She added, "The screening seeks to bring the message home about the suffering of seafarers and to raise awareness of the problems of piracy, and the devastating effects it has on those who suffer as a consequence."

After the film a panel discussion took place and the gathered experts discussed issues regarding maritime piracy, on-going security concerns, the psychological impacts on victims and their families plus the economic effects on a major international industry.

MPHRP used the backdrop of the event to call for greater awareness of the suffering of seafarers, and for industry to ensure that it maintains the fight against pirates. Their programme leader Roy Paul called on all to ensure that "piracy is not forgotten and that the dreadful effects of violence against seafarers is not forgotten or ignored".

A raffle was held to raise funds for the MPHRRP and winners took home a Lego Maersk vessel and a bottle of the good stuff. The event was held in the glorious surroundings of The Athenaeum, and library received a donation of a signed copy of the Nautical Institute's guide to Maritime Security.

The packed out event was supported by a range of sponsors and supporters, in addition to Seacurus these included Bibby Shipmanagement, Maersk Line, G Travel, Shiptalk, Miris International, Port 2 Port, Headland Media, Crewtoo and BZ Marketing.

To find out more about the excellent and most important work of the Maritime Piracy Humanitarian Response Programme please visit <http://www.mphrp.org>

Monthly Roundup

MARITIME LABOUR CONVENTION AND SEAFARER NEWS

MLC Definitions

The IMO Maritime Labour Convention (MLC) 2006, which comes into effect on 20 August this year, imposes strict obligations on owners in relation to the welfare and on-board condition of seafarers. The term "seafarer" is broadly defined in MLC with flag states free to determine the scope of seagoing personnel to be covered in their domestic legislation. However, seagoing

personnel are not necessarily employed by owners with; for example, geologists engaged directly by charterers on supply vessels and the employment of seafarers under ship and crew management agreements. Clauses have therefore been developed by BIMCO, and adopted, for CREWMAN A/ CREWMAN B, SHIPMAN and SUPPLYTIME apportioning party liability and responsibility for on-board personnel.

<http://goo.gl/AI5LL>

STX Promise

South Korea's Trade, Industry and Energy Minister Yoon Sang-jik said "I promise support for suppliers of STX Offshore and Shipbuilding in order to provide them cash worth 250 billion won (\$216 million) and Refund Guarantee (RG) worth \$140 million." The promise was made by Minister Yoon at the meeting held at the conference room of Korea Industrial Complex (KICOX) in Changwon, Gyeongsangnam-do Saturday. "Creditor group and banks need time over whether to choose voluntary agreement program for the embattled shipbuilder," noted Yoon adding. It was not stated that this would extend to unpaid seafarers.

<http://goo.gl/JS7Zg>



Chapter 11

The Taiwan-based shipowner, Today Makes Tomorrow (TMT), said 23 TMT entities have filed for Chapter 11 bankruptcy protection in Houston. "I accept full responsibility for the problems TMT now faces but I am working 18 hours a day to ensure that this major asset for Taiwan's national economic and global business reputation is not brought down because of adverse circumstances beyond my control," said Nobu Su, boss of TMT.

<http://goo.gl/TgRUv>

Tolerance Plea

InterManager, the international association of in-house and third party ship managers, is calling on flag States to exercise tolerance and flexibility in the weeks and months following the entry into force of the MLC. A poll of its member companies shows that InterManager members are ready to meet the needs and demands of the MLC when it enters into force on August 20th. However, the association remains concerned that, as the MLC requires total commitment from its global stakeholders, restraint and a common interpretation of the rules needs to be seen from inspecting authorities when vessels start to visit the world's ports.

<http://goo.gl/NAdXZ>

Leader Arrest

Another STX Pan Ocean Co. Ltd (STX) vessel, "M/V Pos Leader", has been arrested in the U.S. following fresh claims by World Fuel Services (Singapore) Pte. that the troubled Korean shipping company has failed to pay additional bunker bills totalling \$907,570.05. The amount adds to the claim of \$1,055,100 in unpaid bunkers supplied to STX's m/v New Ambition and m/v Ocean Vanguard that ultimately lead to last week's arrest of New Ambition. In the latest action, documents filed at the U.S. District Court in Seattle name three more vessels said to have received bunkers from WFS, the invoices for which have not been paid.

<http://goo.gl/28N7J>

Creditor Assistance

The creditor group formed by 31 Korean suppliers of STX Dalian in China has called for help from the Korean government. The group asked the Korean government to offer favourable tax policies to them like the Chinese government have offered STX Dalian, while suggesting Korean creditor banks offer special funds to support the companies to get through difficulties. The suppliers have also asked to be involved in the relevant negotiations if STX Dalian is confirmed to be sold. The group demands a total repayment of monies owed from STX Dalian, with some suppliers claim that they haven't received payment from STX Dalian for four years.

<http://goo.gl/mHNPk>

Crew Held

Eighteen Vietnamese crew members of a cargo ship have been detained after it ploughed into a coral reef in the Visayas, the Philippine coast guard has reported. The "Unicorn Logger", a Panama-flagged freighter, ran aground at a protected marine sanctuary off the tiny island of Sambawan. "The crew are detained aboard their vessel as the damage to the reef is assessed," according to a coastguard spokesperson. The ship was carrying logs from Malaysia to Japan when it hit the reef, the ship will be towed for repairs to a shipyard in the Port of Cebu once the extent of the damage on the vessel is determined.

<http://goo.gl/WBwqf>

Detention List

The UK Maritime and Coastguard Agency (MCA) announced that five foreign flagged ships were under detention in UK ports during May 2013 after failing Port State Control (PSC) inspection. Latest monthly figures show that there were two new detentions of foreign flagged vessels in UK ports during May 2013 and three vessels remained under detention from previous months. Only three vessels remained under detention at the end of May. The overall rate of detentions compared with inspections carried out over the last twelve months was 3.32% this is slightly down from April's twelve month rate.

<http://goo.gl/y5QtL>

Singapore Arrest

A 150,000 dead-weight-tonne (dwt) vessel owned by Chinese company Hebei Ocean Shipping Company Limited (HOSCO) has been arrested in Singapore, Tradewinds reports. The Heibei Tengfei was detained by the local law firm Rajah & Tann, and although the reasons for the arrest have not been officially released, Tradewinds reports that it is likely related to outstanding payments for services. The arrest comes after another vessel controlled by HOSCO, the 93,700 dwt Hebei Shijiazhuang, was arrested by U.S. Marshals in Norfolk, Virginia this spring following a complaint by bunker supplier World Fuel Services.

<http://goo.gl/B5klm>

Vessel Sale

A cargo ship detained in Dublin Port for non-payment of its crew was sold by court-ordered auction yesterday for €4.8m. The Belize-registered 600-ft long bulk carrier, MV Clipper Faith, was bought by a Greek shipping firm after bids soared from €2.1m to €4.8m in under five minutes. The 15-year-old 20,000-tonne vessel was arrested in Dublin Port last March on foot of a claim made against it by Amsterdam Trade Bank, which holds a mortgage over the vessel. The ship's 17-strong crew, mostly from Russia and Ukraine, had not been paid since late last year. They were represented by the ITF, which brought proceedings against the ship's owners.

<http://goo.gl/xkFff>

Hebei Action

Hebei Ocean Shipping Co (Hosco) has seen a second bulk carrier arrested in less than a fortnight. The 150,000-dwt Hebei Tengfei (built 1990) was detained in Singapore earlier this week by lawyers from local law firm Rajah & Tann. The exact details as to why the ship has been arrested remain unclear, but it is likely to be related to outstanding payments for services. Recent reports suggest that the Chinese shipowner may be looking to offload the bulker in a demolition sale. Last week TradeWinds reported that a Hosco controlled panamax bulker was arrested by US Marshals in Norfolk, Virginia.

<http://goo.gl/lwKHk>

Debt Confidence

Negros Navigation Co (Nenaco), one of the oldest domestic shipping companies in the Philippines, reckons it can earn enough in the next two years to wipe out an existing P1.6bn retained earnings deficit in its balance sheet. By the start of its 2015 fiscal year, Nenaco's president Sulficio Tagud said the line will have worked its court-approved rehabilitation timetable one year ahead of schedule. "We're expecting significant growth due to a very positive growth outlook for the Philippines," Tagud said at the company's annual shareholders' meeting, Nenaco has a fleet of 22 ships carrying 6.4m passengers 356,000 TEU a year.

<http://goo.gl/1Ki5L>

Stark Warning

SRI reports that the problem of abandoned seafarers is a stark one of human hardship. They observe that the International Labour Organization (ILO) keeps a database of cases of abandonment and, given the vital role of shipping in the global economy, the figures should be a source of concern. The international community has worked on a regulatory framework designed to protect seafarers and geared to their very specific circumstances. The SRI's notes the ILO Maritime Labour Convention (MLC), could go a long way to improving working conditions at sea. But its immediate impact on the issue of abandonment remains to be seen.

<http://goo.gl/exl7P>

Excel Suffers

Excel said it had started soliciting acceptances from its lenders for a pre-packaged reorganization plan, supported by a committee of its secured lenders. Excel would file a petition under Chapter 11 after the solicitation period, the filing showed. The company, which owns and operates a fleet of 38 dry bulk cargo vessels, said it was no longer able to sustain its debt service obligations.

Excel, whose market capitalization was \$43 million as of Monday's close, has \$150 million of unsecured bonds due in 2027. Obligations under its senior secured credit facility are about \$771 million. Experts have been expecting a restructuring or Chapter 11 event at Excel Maritime for some time, given ongoing weakness in the dry bulk market and its significant debt obligations.

<http://goo.gl/zeGMG>

Counter Claims

Taiwan-based shipowner TMT has launched breach of contract claims against Chinese steel company Valin and its 49% shareholder Arcelor Mittal in the London High Court, seeking compensation of US\$100m from each party following a dispute over the recent forced sale of a very large ore carrier in Ningbo. The Nobu Su-led company, which is negotiating to restructure its bank debt, has had several of its vessels arrested around the world, including the 263,000 dwt F Elephant, held for 13 months in the Chinese port before being auctioned off

<http://goo.gl/jNN3v>

PIRACY AND MARITIME SECURITY NEWS

Foreign Aid

Senior UK military figures have warned David Cameron not to cut the foreign aid budget - even as it emerged British taxpayers will fund a £14million new jail in Somalia. Nine prominent figures including former chiefs of the defence staff Sir Mike Richards and Lord Stirrup say international aid is 'crucial to the UK's national interests.' They wrote in an open letter that aid addresses the 'root causes of conflict' and helps to spread effective government in failing states - to stop them becoming lawless. The Prime Minister, who is facing bitter opposition over foreign aid, has made clear he is open to suggestions to divert some of it to the military.

<http://goo.gl/P1muu>

Guard Requirements

Malta has introduced licensing for the armed guards used on ships to ward off piracy, with maritime lawyer Ann Fenech saying other countries should follow suit so the industry can grow in quality and professionalism, as well as size. A local lawyer states, "There has been a huge surge in demand for private maritime security companies...it is crucial for PMSCs to meet high standards and be properly vetted."

<http://goo.gl/wDK6Y>

ISO Pilot

The first tranche of private maritime security companies are set to undergo auditing with the ultimate aim of being accredited under the ISO regime. The process is being overseen by PMSC trade body, Security Association for Maritime Security (SAMI), which has awarded a contract to investigative consultancy firm RTI Forensics to audit its members under the existing Sami standards, as well as auditing maritime security companies Securewest, Control Risk Group, Bowline and Zeal under the new ISO standards as a pilot project. At the same time, RTI, along with MSS Global and LQRA, are working with the UK Accreditation Services.

<http://goo.gl/Egwly>

Success Increases

Although, according to a new IMB report, the number of attacks decreased, there was a sharp rise in their reported success rate. That, it says, could be an indication that piracy tactics have improved. And, according to the report, the level of violence has not gone down either. Pottengal Mukundan, director of the IMB Piracy Reporting Center, says all hostages held in Somalia are considered "high risk." This is a worrying development, and hints that if pirates do return in strength, then they may have learned to breach the private security and military safeguards currently in place.

<http://goo.gl/lZ9Fi>

Ransom Clarity

Leaders at the G8 summit have rallied around calls to "stamp out" ransom payments to terrorist groups. British Prime Minister Cameron has announced that up to \$70m (£45m) is estimated to have been paid to free Western hostages in the last three years – an average of \$2.5m (£1.9m) for each captive and that a "very strong" declaration was expected. It is positive that there is united determination within government to break the financial chain potentially funding terrorist groups, but it is simply not right to make decisions driven by the mistaken acceptance that there is a link between the activities of maritime pirates and terrorists.

<http://goo.gl/JAVxd>

Increased Warning

Over the last several weeks the NATO Shipping Centre has received increased reporting of suspicious approaches on merchant vessels, a majority of which have been located along the Western approaches to the Gulf of Aden. Military units dispatched to investigate have been unable to positively confirm any skiffs or small craft with pirate paraphernalia, in particular boarding ladders, however it is possible that skiffs with potential pirates are loitering in the area and conducting probes to test the responsiveness of merchant vessels transiting the area.

<http://goo.gl/j1YR9>

Ocean Shield

Commodore Henning Amundsen, head of NATO's counter-piracy effort code-named Operation Ocean Shield, has held talks with Captain first rank Ivan Kovalyov, Commander of the Russian Federation Baltic Fleet Task Group, on board the NATO flagship HNoMS Fridtjof Nansen in the Gulf of Aden. The NATO said in a press release that Sunday's meeting provided an opportunity for the two Commanders to discuss naval operations and in particular common procedures and areas of cooperation related to countering the threat of piracy. Among the topics discussed were helicopter operations, communication procedures, and medical support.

<http://goo.gl/1SLom>

US Threat

The U.S. may ban ships from entering Nigeria to protest insecurity in the ports and waterways of sub-Saharan Africa's second-biggest economy. U.S. authorities gave Nigeria a 90-day ultimatum to improve security, Leke Oyewole, special adviser on maritime affairs to President Goodluck Jonathan, said at a conference today in Lagos, the commercial capital, citing a letter from the U.S. government. The deadline expires in 45 days, he said. Nigeria will "revive" its implementation of the International Ship and Port Facility Security code by August to secure ports and waterways against terrorism, piracy, smuggling and bunkering, Oyewole said. The country "is bound to act on the U.S. concerns to protect its source of revenue," he said.

<http://goo.gl/ZDhOi>

Near Miss

Fourteen Indian sailors are now safe, after pirates, who took control of their cargo vessel yesterday morning (5 June 2013) in the Gulf of Aden, abandoned the attack hours later after EU Naval Force warship HSwMS Carlskrona, together with NATO counter piracy Dutch warship HNLMS Van Speijk, closed in. The master of the Indian dhow had sent out an alert yesterday morning, saying that it was under attack from 12 armed pirates. Upon hearing the alert, Royal Swedish Navy warship, HSwMS Carlskrona, which has been part of the EU's counter piracy mission, Operation Atalanta, since 6 April, closed the scene and as darkness fell, maintained a constant watch on the vessel.

<http://goo.gl/j0P3M>

Strategic Challenges

Over the last decade, incidents of maritime piracy in the Gulf of Aden and the Arabian Sea have reached high levels. This has created a strategic challenge for the security of global trade and a threat to maritime activity, Dr. Jamal Sanad Al-Suwaidi, Director General of the Emirates Center for Strategic Studies and Research (ECSSR), said in the welcome remarks to the international symposium entitled: 'The Challenges of Piracy in the Gulf of Aden and the Arabian Sea'. He also observed: "The risks of such crimes taking place are exacerbated by links to organizations involved in international terrorism. Undoubtedly, the volume of global trade that passes through the Gulf of Aden and the Arabian Sea makes this region an indispensable economic artery".

<http://goo.gl/dNKEx>

BIMCO Revisions

BIMCO's Documentary Committee gathered recently and ten provisions were approved comprising one charter party, eight clauses and a revised set of laytime definitions followed by a review of work in progress and proposals for new projects. Agreement was given to revised versions of the CONWARTIME and VOYWAR war risks clauses, respectively for time and voyage charters. The main changes include: a clearer basis for determining war risks relating to the level of danger; the definition of "piracy" broadened to cover "violent robbery and/or capture/seizure"; clarification of charterers' liability for reimbursing owners' additional insurance costs together with the costs of any additional war risk related insurances required by owners; and owners' reporting duties.

<http://goo.gl/PbsIQ>

Monthly Report

Incidents of piracy, robbery at sea and in ports, whether successful or failures is widely reported. The Horn of Africa/IOR saw relatively low activity across the HRA through April. Few of the incidents were any more than suspicious sightings of dhows towing skiffs, but a single confirmed attack was reported. In the Gulf of Guinea/ Attacks have occurred off the coast of Nigeria, mainly south of Brass, in Bayelsa state. Asia incidents remain largely petty theft in ports but a number of more violent attacks have occurred on vessels underway and a barge reported stolen. A total of 43 reported incidents occurred in April. In Asia, fifteen pirates armed with guns and long knives in three high speed boats boarded the tug Hub 21 underway in the South China Sea.

<http://goo.gl/0WGUq>

Vessel Attack

According to the latest IMB report, Offshore Supply Vessel Bourbon Arethuse, belonging to French company Bourbon, was attacked by pirates the 4th of June, off Usari field, Nigeria. IMB reports that pirates boarded an offshore supply ship underway, on standby duties. Seeing the pirates the crew raised the alarm, retreated into the citadel, alerted other vessels and shore based office by VHF and waited until the pirates had left. The findings of the investigation showed that the ship's and the crew belongings were stolen but fortunately all the members of the crew are safe.

<http://goo.gl/pUL9A>

Another Kidnap

Reports have now confirmed that pirates in speedboats attacked an oil supply vessel and kidnapped four Indian and Polish crew members in increasingly dangerous waters off Nigeria's coast last week. The gunmen launched their assault on the Singapore-flagged tugboat MDPL Continental One around 30 nautical miles from land on June 13, the security sources said. The vessel was ransacked and four crew were taken hostage off the coast of the oil-producing Niger Delta, one of the sources told Reuters. The boat's management company CS Offshore told Reuters there had been an incident but declined to go into further details.

<http://goo.gl/ojshA>

Crew Taken

Reports are emerging that an offshore supply vessel has been boarded by pirates, and crewmembers have been taken hostage. The attack is understood to have taken place early on Thursday morning 7 Nm SSW from the OFON oil field at 30 Nm off the coast. Details are yet to be confirmed, but the vessel name has been stated by sources as being the "Continental 1". The vessel was boarded by pirates without prior detection by the vessel. Pirates reached to the bridge from inside and surprised all personnel on watch. Nobody was injured or harmed on board during the raid, and computers and valuables were taken, but 4 expatriates have been reported as kidnapped.

<http://goo.gl/sAQOG>