

Welcome Last month saw one of the pinnacles of the maritime calendar, the much vaunted "World Maritime Day". This is a celebration of the work which goes into improving shipping. Inside this month's bulletin we explore the success, but also the challenges facing the International Maritime Organization, flag States and shipping if improvements are to be made and rules implemented.

Alas this month there is a day which perhaps better captures the reality of life at sea, as the 24th October sees the Mission to Seafarers hold its annual Woolly Hat Day to highlight the important role that seafarers play in our lives and to raise much-needed funds for The Mission to Seafarers. <http://www.missiontoseafarers.org/support-us/woolly-hat-day>.

So while World Maritime Day focuses on the good, the fact that seafarers may need grannies to knit for them, hints at the bad. There have been massive improvements in the provisions for seafarers and protection from abandonment and non-payment of wages is available, but despite the work to introduce the Maritime Labour Convention (MLC) there are still reports of problems the world over.

Vessels and crews are still being abandoned and the need to cover and protect them is something which has been such a vital part of developments in recent years. Our involvement in this positive progression is something of which we at Seacurus are very proud, and while our knitting skills may be a little rusty, at least we feel we have helped to protect and provide a better industry for seafarers.

Inside this issue we also explore the latest issues besetting shipping, from the concern that too few tankers are taking to Electronic Chart Display & Information System (ECDIS), the fears of the International Union of Marine Insurers (IUMI) when it comes to underwriting, and the threat posed to shipping by fraud and crime.

We also assess the latest piracy news – as shipping companies chip in to try and solve Somalia, it seems that however many millions are thrown in, the country is a long and tough fix. Out in Asia there are more concerns as yet another tanker is taken, while West African governments are rallying to put in place measure to secure the region.

With Africa's trading partners looking to ensure piracy is tackled there have been a slew of new developments and improvements. A new reporting centre, an attempt to zone the sea areas as well as new patrol vessels, all now combine to hopefully make the Gulf of Guinea a safer, more secure place.

We hope you find this latest issue of interest, and please do feel free to share with colleagues and contacts alike.



Captain Thomas Brown
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World Maritime Day of Judgement



With the banners unfurled and backs being patted, one could be forgiven for viewing World Maritime Day (held on 25th September) as a time of unfettered celebration of the successes of the global regime which oversees shipping. According to the IMO, the day is used to focus attention on the importance of shipping safety, maritime security and the marine environment and to emphasize a particular aspect of IMO's work.

Alas with any day of "celebration", there is a danger the focus drifts into pride and hubris for what has been achieved, rather than what remains to be done. Indeed, unless the industry, politicians and collected NGOs address a number of key issues, then such days will be a magnet for protests and rude awakenings.

The theme for this year's World Maritime Day "IMO conventions: effective implementation" was chosen in order to provide an opportunity to shine a spotlight on those IMO treaty instruments, which have not yet entered into force, as well as those for which ratification by more States and more effective implementation would yield significant benefits.

Speaking on the day, IMO Secretary-general Koji Sekimizu said the IMO had made gains around its theme this year of effective implementation of conventions, but also wanted to put the spotlight on conventions that had not yet come into force, namely Ballast Water, Hong Kong Convention on ship recycling, fishing vessel safety and wreck removal.

All this comes at a rather difficult time for the IMO, as a transition is shaping shipping and within the IMO itself. According to Sekimizu, "IMO is in transition. Internally, we are making changes within the Secretariat designed to improve efficiency and transparency." The organisation is hopeful that a revised

sub-committee structure will ensure a new found efficiency to meet current and future challenges in regulatory fields – the rest of us can only hope these tweaks within the system deliver the right changes at the right pace.

Will it be enough to satisfy those who deem the IMO to be a cosy talking shop, or the detractors who believe the UN body has become too focused on rules and not supportive enough of the means of delivering on them.

The International Chamber of Shipping (ICS) last month called on IMO Member States to give careful consideration to shipowners' concerns about the implementation of an avalanche of new environmental regulations, which are about to impact on ship operations at more or less the same time.

ICS Chairman, Masamichi Morooka, explained: "The shipping industry is not in any way questioning the need for these important new IMO rules and is fully committed to implementation. But governments need to address some very important issues if they wish to avoid confusion and market distortion." There are pressures being applied at various links of the shipping chain, and in many regards the IMO is left to somehow herd the collective industry cats together in a positive direction. A task perhaps made all the more difficult as Secretary-General Sekimizu has disclosed his decision not to seek reappointment at the fulfilment of the current term at the end of 2015. Sekimizu stated that reasons of personal nature led to the decision not to seek reappointment at the end of the current term.

With so little time now left in office does this mean that Sekimizu will become a lame duck with no real desire to pursue change, or on the contrary will there be a feeling of release and a push for real progress? Time will tell, but with the 2015 world maritime day theme being, "Maritime Education and Training" hopefully this will see a concerted effort to improve the quality and standards across the industry.

While compliance is essential for serving on board ships, the skills and competence of seafarers, and indeed, the human element ashore, can only be adequately underpinned, updated and maintained through effective maritime education and training. Effective standards of training are the bedrock of a safe and secure shipping industry, but there is clear erosion of these standards and of the respect with which seafarers are held.

It was supposed to be the case that the Maritime Labour Convention (MLC) would do so much to improve these areas. Along with strict checks of certification, it would surely be the case that a happy, well fed, rested and looked after seafarer is more likely to be able to apply their training, surely? Alas it seems that gathering data on the success, or otherwise, of MLC has been hard to come by. It is just over a year on from MLC coming into force, but just a quarter of the 64 states that have ratified the Maritime Labour Convention (MLC) have to date submitted their reports to the International Labor Organization (ILO) for expert review.

Under Article 22 of the ILO Constitution (Annual reports on ratified Conventions), states are required to submit their reports to the ILO secretariat after consulting with their social partners, the International Chamber of Shipping (ICS) and the International Transport Workers' Federation. However, Natalie Shaw, director of employment affairs at the International Chamber of Shipping claims that only 16 of the 64 states have submitted their reports.

This perhaps hints at some of the problems hidden within the system, and while the IMO can celebrate the effective implementation of conventions, unless flag States truly step up to the plate to assist and support, then we are doomed to fail.

Even in the event of terrible accidents there is hesitancy within some flags to deliver on their duty. When the Panamanian flagged livestock carrier "Danny F II" rolled over and sank in the Mediterranean in December 2009 one might have expected a speedy investigation and explanation for the disaster. The tragedy cost the lives of forty four people and in excess of 28,000 animals, but even these mammoth losses have not prompted the Panama flag to conclude its investigation and to release its findings.

Maritime union Nautilus has been questioning once again about the promised report, but as yet there seems only silence. A silence which belittles the loss of life, and which undermines the desires of the IMO to truly improve and to create a system of governance which can truly deliver.

It seems that however good the intentions, that trouble rolls down hill (as it were), and sadly it is all too often the seafarers who are left to struggle. Despite the MLC there are still reports of vessels and crews being abandoned and the need to cover and protect them is something which has been such a vital part of developments in recent years. Our involvement in this positive progression is something of which we at Seacurus are very proud.

ECDIS: Delays, Collisions and Threats

Electronic Chart Display & Information System (ECDIS) is a computer-based navigation information system that complies with International Maritime Organization (IMO) regulations and can be used as an alternative to paper nautical charts. As a technological evolution for navigation it was supposed to herald a new generation of safer, cleaner and more advanced shipping.

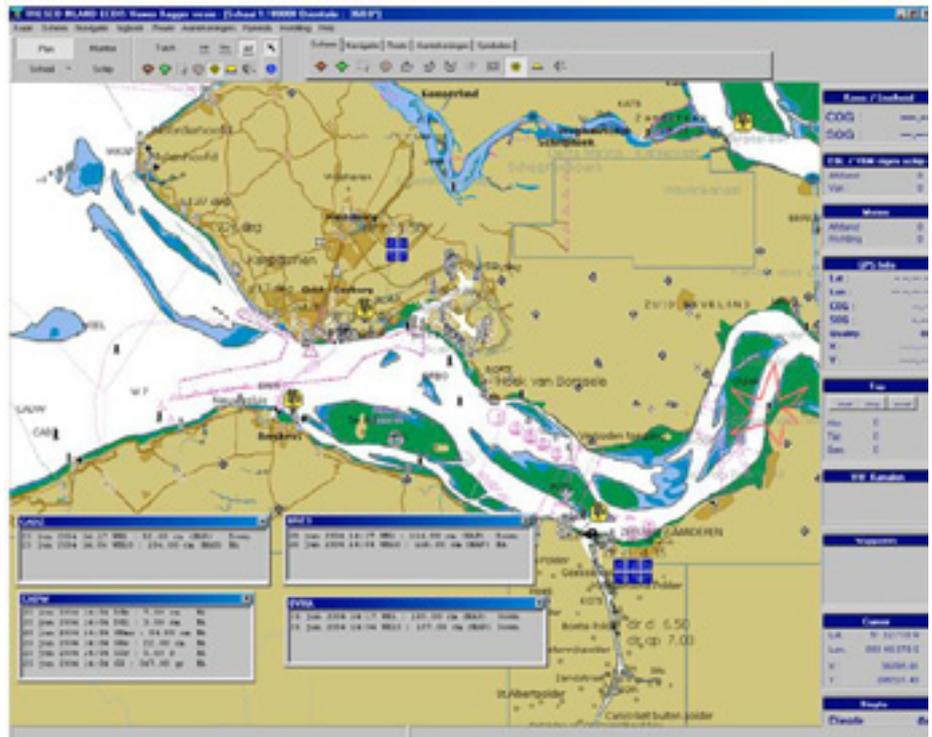
Alas at the moment, it seems things are not really working out that way. Most new vessels have come with ECDIS

for the past few years, and the roll out has continued since adoption of the rules in 2009 and the first vessels having to have them onboard in 2012.

Now though it seems that the transition may have hit a less accommodating slew of vessels. As mandatory carriage beckons on 1st July 2015 for all tankers over 3,000 gross tonnes, it seems that the majority of ships in the global tanker fleet have yet to adopt ECDIS.

According to data published for the first time by the United Kingdom Hydrographic Office (UKHO) over 8,500 tankers will be required to comply with these rules and, with less than 10 months to go, the UKHO can reveal that 58% of these ships do not yet use an ENC service.

There are incredibly high hopes for this technological revolution, and by 2018 ECDIS will be mandatory equipment aboard all vessels. By that time, the progressives in the industry believe that navigators should be familiar with the fundamental principles for using ECDIS as a part of an integrated shipboard navigational system and be able to react promptly to system malfunctions and/or failures.



Eventually, it is foreseen, that different types of navigational information, e.g., AIS (Automatic Identification System) with radar images will combine information from a pre-defined set of external sensors on one screen with an electronic chart as the backdrop.

Science fiction will have become science fact, but there seems to be a long way to go yet. One of the advantages of such technology and the information it provides is to avoid collisions, allisions and groundings. But just as radar and VHF before it, there have already been collisions “assisted” by the new kit and the failure to use it properly.

The UK Marine Accident Investigation Branch last month released its report on the grounding of the chemical tanker, “Ovit”. The Malta registered vessel carrying a cargo of vegetable oil, ran aground on the Varne Bank in the Dover Strait. There was no pollution. Ovit’s primary means of navigation was an ECDIS and analysis of this system, its installation, training and operation form the backbone of the report.

Alas it was found that the passage plan was unsafe as it passed directly over the Varne Bank, and that it had been prepared in the ECDIS by an inexperienced and unsupervised junior officer and was not checked by the master before departure.

More technology does not necessarily mean less problems, it just means different ones. Failings in process, management, leadership or knowledge will still see vessels getting into difficulty and no amount of digitised data will stop that.

In fact in the interim things are not just complicated by the transitions of equipment and of their control, there are also challenges of cyber security. Which leads us into the latest Marine Cyber Security update...

Marine Cyber Security (MSC) - Update



As we covered last issue there has been some progress made on this front, as the shipping industry has begun to slowly open up about the threats posed by maritime cyber security (MSC). Yes, it even has its own three letter abbreviation now, so we can rest easy that progress is at last being made.

Following the recent SAMI conference on cyber security it was decided that action was needed to further raise awareness on cyber security needs and the potential challenges in the maritime sector. It was also felt that efforts were required to both understand the problems facing the maritime industry, and to begin to address the development of solutions.

As part of this ongoing work, there are reports of progress in bringing industry partners together to form a strategic approach to MCS, developing processes, plans and procedures which can assist the industry in mitigating risks and managing ongoing threats.

The goal is to raise awareness, to enhance understanding and to work across the maritime industry to drive improvements in the cyber security of people, vessels, cargoes, ports and trade.

Amongst the aims of this approach are the following:

- Develop an accepted definition of “maritime cyber security” and its elements
- Map stakeholders
- Explore and foster coordination, dialogue and cooperation
- Develop strategic aims and objectives
- Raise awareness of MCS needs and challenges
- Develop good practices for the management of MCS
- Align MCS concepts with the challenges of merging physical security and maintaining onboard safety
- Develop a risk-management -based approach for MCS
- Develop an industry wide scheme to identify critical assets which would be affected by MCS
- Understand what the cause, impact and consequences on the assets of MCS issues could be
- Explore the alignment and harmonising of flag State policies
- Specify the shipping, offshore oil and gas, logistics and port roles to manage MCS issues

In addressing the matters of definitions, threats, assets, best management and responsibilities, it is hoped that the shipping industry can work together to begin the process of mitigating the risks posed by cyber security.

There has also been a paper submitted to the IMO by the United States and Canada (Measures toward enhancing maritime cyber security). The paper recommends the development of voluntary guidelines on cyber security practices to protect and enhance the resiliency of cyber systems supporting the operations of ports, vessels, marine facilities and other elements of the maritime transportation system.

Interestingly the paper also looks to bring cyber issues within the auspices of the International Ship and Port Facility Security Code (ISPS) – and so a Code which has been derided as being fairly underwhelming in its benefits could finally see some tangible deliverables.

Tackling Maritime Corruption

With piracy such a focus of the world's media and subject to high profile action – whether through navies or armed guards, you could be forgiven for thinking it is only pirates who pose any threat to global trade.

In actual fact the scale of global piracy pales almost into insignificance when compared to the spread of corruption. Such “white collar” crime is thought to be endemic in many cultures, and despite all kinds of legislation and law enforcement crack downs it is hard to shake completely.

A new conference entitled, “Corruption – How do we tackle it in the maritime industry?” is held this month by the Danish Shipowners Association. It is set to deal in depth with what the organisers deem, “one of the largest financial and human challenges at sea”.

“Facilitation payments are a major challenge not only for shipping, but also for the affected countries, in which society is twisted out of balance. The problem cannot be solved by individual shipping companies or maritime nations, but requires a shared global effort and some sociocultural changes in those countries in which it is often the norm that authorities have to be given presents in order to perform their work,” says Maria Bruun Skipper, who is Senior Adviser at the Danish Shipowners’ Association.

Those making presentations at the conference include representatives of Transparency International, Maersk Line, Clipper Group, GAN Integrity Solutions and The Maritime Anti-Corruption Network (MACN).

Such crimes, frauds and corruption do indeed run deep and shipping can often be caught in the cross hairs. Just last month a corruption scandal broke involving some 24 people including 12 civil servants at Port Klang Free Zone (PKFZ).

The syndicate costs the government millions of dollars in lost revenue, as cigarettes and alcohol were smuggled into the country under their watch. The crime had been going on since 2011, with only minimal levels of duty being paid, according to the Malaysian Anti-Corruption Commission (MACC).



While in China the former boss of Shanghai Hudong-Zhonghua Shipyard is to be prosecuted for taking bribes, according to China's Supreme People's Procuratorate. The brief announcement said Gu Tiquan, former chief executive of Hudong-Zhonghua, was involved in accepting bribes and would be charged at Shanghai No. 1 Intermediate People's Court.

Hudong-Zhonghua is a subsidiary of state-owned China State Shipbuilding Corp (CSSC), one of the largest shipbuilding conglomerates in the country.

On a slightly smaller scale, but no less disturbing are the problems the Maritime and Port Authority of Singapore (MPA) is having in policing bunker suppliers and controlling bunker craft operator licences. Last month the license of one company was cancelled following a jail sentence for the company's director for corruption. The licence cancellation followed the conviction of Leong Kok Kheong, director of Northwest Resources, for 50 counts of bunkering-related offences committed in May and June 2008.

Leong was convicted after he pleaded guilty to 15 charges, with the rest taken into consideration. The issue of fuel and bunkering brings the corruption debate into the piracy problem too. With the trend of oil siphoning, "petro piracy" attacks off Singapore and Indonesia - it is increasingly thought that the pirates are acting on detailed inside information.

The fact that pirates can carry out complex procedures extremely quickly, which requires substantial details of ships' systems, strongly hints at them having been granted prearranged insider intelligence. According to a new report six of 16 incidents since the siphoning attacks began in 2011 have hit the same company and the vessels "Ai Maru" and "Moresby 9" were both hit twice. This has drawn some to suggest that crew collusion may be a problem.

Away from Asia, the former Head of the Nigerian Maritime Administration and Safety Agency (NIMASA) has controversially claimed that seafarers have been assisting fuel thieves in the Gulf of Guinea. Speaking a side event of the Posidonia exhibition earlier this year he made the claims, stating that seafarers are giving vital information to pirates.

Given that Nigerian pirates often violently beat the crews on vessels they capture it seems hard to believe that this is the case, but the claims do warrant some investigation.

Money and risk, crime and corruption, all go hand in hand – and it seems that shipping can be a very fertile ground for the problems to take root.

IUMI Warns of Problems



The International Union of Marine Insurers (IUMI) held its latest conference last month in Hong Kong. A packed programme saw many developments and reports of both problems and solutions alike.

Dieter Berg of Munich Re was elected new IUMI president and in his acceptance speech spoke of softening premium rates, and of the problems these can bring.

The six hundred and thirty-two participants in the 2014 conference left Hong Kong with messages calling for underwriting discipline and new efforts to raise the profile of the marine insurance sector.

There were warnings too that loss ratios in the sector were unsustainable in the long-term and underwriters could not expect capital providers to go on supporting that. The importance of underwriters understanding the risks they wrote was also stressed.

Interestingly there was a nod to the human element within the industry, it was stressed that the industry should encourage hull underwriters to become 'shipping people,' cargo underwriters to be experts on transport, and energy underwriters to become "technology sub-sea freaks."

Speaking of the challenges of taking the Presidential office, Mr Berg said that he had four priorities for his term of office: strengthening further the political influence of IUMI, improving the standing of marine insurance within companies, raising public awareness of the speciality, and raising public awareness of the role of marine insurance.

Berg said that although the global economy had improved recently, interest rates remained low and yielded no return on premium income at a time when "we are rapidly sinking into a soft market cycle. New players had brought more capital into the offshore energy market, and the question was whether they would enter marine as their next playground.

The conference also saw a range of speakers engage on many and varied topics, but two which suggested that risks are not always fully appreciated echoed the calls of the new President for underwriters to get a better appreciation of the risks they embrace.

Given the Hong Kong location it would have been almost impossible not to discuss containers and the problems associated with them. In particular it was stated that an average of 2.5% of typical Far East to Europe boxes comprise dangerous goods, this amounts to 450 boxes per 18,000 teu ship. The chances for one of those to explode or catch fire and possibly lead to disaster, needs to be better understood and factored in according to a paper from the American Club.

Making the point that as more dangerous goods are shipped, more lobbying is required of national authorities and the IMO by the insurance industry, the Club's John Wilson said: "The legislation, and the government resources to reinforce it, is lagging behind the growth of the container ship industry."

As the people who have to worry about paying out when something goes wrong, the increasing size of vessels and the dangerous cargoes which can be concealed within naturally concern marine insurers greatly.

It was stressed that there is a sharp increase in gross tonnage but a much smaller increase in number of vessels. This means that risk is concentrated and the factors need to be considered. Set against the backdrop of a small premium base and stagnant rates, this is an important factor to consider for the future.

Shipowners Invest In Somalia

It has often been said that while the battles against pirates are fought at sea, the real war will have to be won ashore. Indeed, even though there has been a lull in successful hijacks, there are concerns that the threat remains finely balanced. If either the naval presence or use of armed guards is reduced, observers believe that piracy could easily be reignited, and we could see a new wave of attacks.

Taking such thinking seriously, a joint initiative led by leading oil and shipping companies is donating \$1.5 million in funds to stem piracy off the coast of Somalia.

The Joint Shipping Initiative, led by Royal Dutch Shell, BP, Danish conglomerate Maersk, MOL, Japanese shipping companies and others, announced the funds were made available through the U.N. Development Fund.

"Piracy is a global problem that takes root in limited economic opportunities, high youth unemployment rates and poor infrastructure," Jens Munch Lund-Nielsen, a sustainability director at Maersk, said in a statement.



While the gesture is noble, it seems unlikely that such sums will even scratch the surface, such is the depth and extent of the social ills within Somalia. But we wish the initiative well.

As if to illustrate that the pirates are still kicking around and are still as wild as ever, the release of a German-U.S. journalist held hostage in Somalia for more than two years sparked a frenzied battle between pirates.

Six people were killed in a gunfight over a supposed ransom payment tied to the release of journalist, Michael Scott Moore. Moore was kidnapped by armed militia in the city of Galkayo in January 2012 while researching a book on piracy. Local militiaman said the ransom had totalled \$2 million.

So it seems that whatever the progress elsewhere, there are clearly pirates still operating. Which may come as a surprise given the investment in new prisons and efforts to contain criminals. However, it seems that eighty percent of maritime pirates are being let off because of lack of effective international legal mechanism to put them to trial.

India's Central Bureau of Investigation (CBI) Special Director Anil Sinha spoke last month of an international study, which claims that out of every 10 pirates caught, eight are being let off either due to lack of treaties and Standard Operation Protocols for transfer between the involved countries or disinterest shown by the countries which harbour such pirates.

Sinha said actions taken by agencies including the Indian Navy and Coast Guard have resulted in apprehension of a number of pirates, but this is only fleeting and they are often placed back in Somalia, from where they will be free to wreak havoc on shipping once more.

Asian Attacks Dip, But Petro Crime Rises

A total of 11 piracy attacks, comprising eight actual incidents and three attempted incidents were reported in Asia in August 2014, piracy watchdog The Regional Cooperation Agreement on Combating Piracy and Armed Robbery against Ships in Asia (ReCAAP) said in its latest report.

According to the report, the situation of piracy and armed robbery against ships in Asia continues to improve in August 2014, with a decline in the number of incidents from 21 cases in June 2014 to 14 cases in July 2014 and 11 cases in August 2014.

Despite some small signs of progress Asian shipowners have called for action by governments on piracy. The Asian Shipowners Forum (ASF) Safe Navigation & Environment Committee (SNEC)



expressed "great concern" over 17 incidents in Southeast Asia of small tankers being hijacked and cargoes stolen. Of the 17 attacks 12 have been successful.

In a statement, ReCAAP expressed "concern about incidents involving the siphoning of fuel/oil from small tankers and therefore urges all shipowners and master to continue to exercise enhanced vigilance". The reporting group is set to be assisted in its efforts to secure shipping by the United States government.

The US has become the 20th nation to join Asian anti-piracy information sharing centre ReCAAP. Although ReCAAP is based in Singapore and covers the Asian region it accepts membership from nations outside the region. "The US' accession to ReCAAP signifies the growing strength of the ReCAAP network and demonstrates the importance of international cooperation to effectively address the challenges in combating piracy and armed robbery against ships in Asia," ReCAAP said.

One focus of ReCAAP has been to assist in studies into the drivers behind piracy. A new academic study is set to explore the SE Asian pirate problem. According to initial research the most self-evident explanation for the difference of low- and high-profile piracy in Indonesia and Malaysia is the disparity in living standards and wealth.

In Indonesia, where the GDP per capita was US\$5,100 in 2012, piracy attacks are much more likely to be motivated by poverty. While in Malaysia, poverty is not as high so criminal syndicates are the driver.

Whatever the main driver, whether poverty or greed, cases of illegal trade in marine diesel are on the rise in Singapore and more offenders have been arrested.

According to the republic's Police Coast Guard (PCG) from January to July this year, around 60 metric tonnes of ship fuel changed hands illegally, 10 times more than the whole of last year.

Police said the jump was mostly due to one of four cases this year, where a whopping 50 metric tonnes of oil had changed hands; they have also arrested 32 men up to July this year, compared to 26 arrests in the whole of last year.

West Africa Anti-Piracy Centre



The Asian Shipowners Forum (ASF) Safe Navigation & Environment Committee (SNEC) also expressed “grave concern” over the growing number of attacks off West Africa, where at least 23 incidents have been reported this year. In particular it expressed concern over an attack on 9 August 200 nm off the coast of Nigeria, as this was felt to be a major tactical shift by the pirates.

One area in which it is hoped that improvements can come is through better monitoring and reporting of incidents. This approach has seen the opening of a newly created Inter-regional Coordination Centre, ICC, for Maritime Safety and Security in the Gulf of Guinea in Yaounde. The centre is now functional after the agreement for the location of its headquarters has been signed.

At the opening ceremony last month it was stressed that piracy is a real threat in the Gulf of Guinea; which is the reason why the international community has rallied behind sub-regional institutions to tackle it. The officials behind the centre also appealed to Economic Community of Central African States (ECCAS) and the Economic Community of West African States, (ECOWAS) States to ensure that their sub-regional institutions work hard to ensure success in the fight.

The reporting centre is an important part of a wider project which ECOWAS is seeking to launch. The pilot project aims at monitoring and tackling piracy in the Gulf of Guinea. The strategy includes setting up maritime zones. The countries of the sub-region have been grouped into zones for information coordination and action. The first one being piloted in West Africa is the Zone E. This comprises Nigeria, Niger, Benin and Togo.

There is clearly political and trade pressure being applied to the nations in the region. As trade from the West African region to South America picks up, it is felt vital that improvements are made and that security is given the priority it clearly needs. As pressure ramps up, Brazil’s Ambassador to Cameroon said his country would share its experience in handling maritime security challenges in South America alongside other countries in the region.

There is investment too, as Angola is set to acquire seven patrol vessels to be produced by the Brazilian Navy. Brazil and Angola’s defense ministers, last month signed a Memorandum of Understanding that will enable Brazil’s Navy to assist Angola to implement its Maritime Power Development Program (Pronaval).

The seven patrol ships will displace about 500 tons each, while, the Brazilian Navy will provide education and training of Angolan personnel both to build and to operate the vessels that will be built in the new shipyard.

Guards Set to Stay

Private security personnel are “here to stay” in the fight against increasing levels of crime at sea, according to industry representative Peter Cook. Speaking at the Maritime Security & Defence conference at SMM in Hamburg last month, Cook said criminals were increasingly proactive, ubiquitous and adaptable at a time of shrinking naval capabilities. Cook said there had been 157 piracy incidents up to 31 August this year, with 10 hijackings in Asia.

Mark Twain once said that reports of his death were “greatly exaggerated” and it seems the private maritime security industry has been suffering from a similar rush to nail the coffin shut. Despite a flurry of reports to the contrary the industry is still in fairly rude health.

The maritime security industry has had to grow under the spotlight of rigorous attention. Indeed the media has been long been as fascinated by security providers, almost as fixated as with the pirates they have battled. So any signs of problems within the industry have been leapt upon. Eager journalists have lapped up any company failures and have been seemingly keen to suggest that the maritime security solutions provided are no longer attractive.

But such gloom seems misplaced. Indeed, it was reported that July 2014 saw more armed transits than in any prior months, according to the data from a leading flag State. What has happened though is something of a price war which has seen fees slashed by 30% or more.

In a business with high costs, high risks and zero room for error this has caused some consternation. How, for instance, can low costs and a steep drop in operative day rates seemingly be aligned with a view of a quality service?

These are questions which providers must wrestle with, but there is a very real sense that many PMSCs have had a “win business at all costs”, and there are concerns that companies have sought to focus more on forcing the competition out of business rather than at their own viability and retention of staff. Such an approach does not appear befitting of an industry which has such a unique and complex role to deliver on.

Now it seems a degree of equilibrium is urgently needed, and a cycle of maritime security “boom and bust” must be avoided. Despite fewer attacks it is the considered opinion that nothing has actually changed, and the pirates are still out there. So vessel vulnerabilities still need to be scrupulously assessed, and where armed guards are needed, then the highest standard ones available should be used.

As part of one of the most compelling public-private partnerships ever, PMSCs and navies have done so much to protect seafarers, shipping and global trade from attack. This is something which should be applauded and which can evolve to react to whatever forms of maritime threat emerge.



Monthly News Roundup

Twenty More Key Stories – September 2014

Hard a Port Collision: Something went terribly wrong aboard Hapag-Lloyd's containership "Colombo Express" when it lost control and slammed into the "Maersk Tanjong". Both vessels were heading south through the Suez Canal. From the following AIS replay of the incident, it appears the Colombo Express was attempting to overtake the Maersk Tanjong and when a left rudder was applied to come back to a parallel course, the rudder when hard left. Hapag-Lloyd notes in a statement there were no injuries or pollution as a result of the incident. A Maersk Line spokesperson said that three containers were lost over the side from the "Maersk Tanjong". <http://goo.gl/hrUsXc>

Reality Check for 24k TEU Ships: Infrastructure constraints could put the brakes on further growth in ultra large containerships sizes even if they are technically possible according to classification society DNV GL. Jost Bergmann, DNV GL business director for containerships, said that average size of boxships had been increasing dramatically by around 5.5% a year. Of the current orderbook more than 40% of the vessels are in excess of 13,000 teu capacity. Bergmann said moving up to the possible 24,000 teu capacity vessel would need larger cranes, reinforced berths, bigger turning basins, deeper water and investment in landside infrastructure such as road and rail connections. <http://goo.gl/k72fhZ>

Panama Set to Woo Owners: The Panama Maritime Authority's Directorate of Merchant Marine has published a series of new incentives aiming at increasing tonnage, reducing the age of the fleet and seeing off competition from other registries willing to offer lower fees to switch to their flags. The first resolution cancels registration fees, annual consular fees, investigation and inspection fees, and the 0.03% tax, for one year to all vessels and MODUs under construction and new build over 10,000 dwt. All ships of new construction less than 10,000 dwt, will receive a discount in their year of registration of 35 % in the rate of registration. <http://goo.gl/OMrrll>



IMO Moving Towards Electronic Certificates: The IMO's Facilitation Committee (FAL) has issued a request for all the IMO member States to accept the use of electronic certificates, paving the way for less paperwork, nuisance and delays for the shipping industry, the Danish Maritime Authority (DMA) reports. In the future, it must be easier to use electronic certificates. This was decided by the Facilitation Committee of United Nations' International Maritime Organization (IMO) on Friday, September 26, when it approved a set of updated guidelines on the use of electronic certificates. "These new guidelines constitute a major leap forward for electronic certificates" the Danes believe. <http://goo.gl/pGEYY3>

K Line Hit With Massive Fine: Kawasaki Kisen Kaisha (K Line) is paying a \$67.7m fine under a plea bargain with US Department of Justice for breaking anti-trust laws. The fine and agreement relate to the sale of ro-ro shipping services, and K Line said it had cooperated fully with the investigations and would continue to do so. "K Line takes this matter seriously and has taken steps to further strengthen its compliance and training programmes to ensure compliance to applicable laws and regulations," the Japanese line said. K Line said it would report an extraordinary loss in the second quarter, which would consolidate into its FY2015 results. <http://goo.gl/JVrJWM>

Greek Owners Still Grabbing Opportunities: Despite the low freights, the stagnating sale & purchase market and bank lending restrictions, opportunities do arise and Greek shipowners are not shy in jumping on them. For large Greek shipping companies finance and opportunities abound, and they have invested heavily in modern eco vessels, and while the going is much tougher for smaller owners as they battle unaided against poor shipping markets and the dearth of finance and capital, they, in the main, are also making headway. This is reflected in a new survey which confirms that for the first time the Greek-owned fleet is on the other side of the 300m dwt threshold. <http://goo.gl/y1a0ZA>

Shipping Acts on Greenhouse Gases: The total greenhouse gas emissions from the global maritime transport industry are estimated to have been cut by over 20% from 2007 to 2012, the Secretary General of the International Chamber of Shipping (ICS) told a United Nations summit on climate change today. The global maritime shipping industry, which transports an estimated 90% of all world trade, is thought to have produced only about 2.2% of the world's total greenhouse gas emissions during 2012 compared to 2.8% in 2007. The estimates are contained in a comprehensive study of the shipping industry's Green House Gas emissions prepared by the IMO. <http://goo.gl/fLpyZz>

Insurers Accused of Unsustainable Rates: Veteran underwriter Jonathan Jones has claimed that top Norwegian insurers are slashing rates to unsustainable levels - as two top marine insurers offer hull cover for as little as 0.07% of vessel values. Gard and Norwegian Hull Club protection-and-indemnity (P&I) mutuals stand accused of offering "suicidally" low rates, suggesting the low premium indicates a hidden cross-subsidy. According to Jones, a 0.07% rate means an underwriter would have to insure a vessel for more than 1,400 years to cover a total-loss payout. The price slashing has prompted a campaign for leading underwriters to follow a code of conduct on the issue. <http://goo.gl/pV7cSh>

Master Praised for Rescue of Hundreds of Migrants: The South Korean office of the United Nations refugee agency said Tuesday its head has expressed gratitude to the captain of a local ship who rescued hundreds of asylum seekers on a wrecked vessel earlier this month in the Mediterranean. The freighter AMS Pegasus, owned by South Korea's No. 4 shipper Korea Line Corp., rescued 387 people on a wooden boat in distress on Sept. 11 near the Sicily Island of Italy, according to the Korea Shipowners' Association. Many of the people aboard are believed to be asylum seekers from Egypt, Syria, Somalia, Palestine and Sudan who had been drifting for about 15 days without enough food and water. <http://goo.gl/nnLNpu>

US Investors Angered by Jones Act: Some have been calling the US Jones Act, "the most stupid law ever on the books." It adds about 15¢ to the price of every gallon of gas. but to many US citizens and investors the act is so obscure many have no idea it exists. According to investors it's the maddening reason why it costs 3 times as much to ship a barrel of oil from Houston to New York as it does to ship the same barrel from Saudi Arabia on the other side of the world. It seems that the money men are irked as the Jones Act is being seen as just a sweetheart deal for U.S. whose profits are practically "guaranteed" by law. Lack of competition hurts investment. <http://goo.gl/rYvT4W>

Owners on Ballast Issues: The International Chamber of Shipping (ICS) has reiterated its call for governments to see sense concerning the proposed implementation of the IMO Ballast Water Management (BMW) Convention. Esben Poulsson, vice chairman of ICS, explained that the governments need to address issues including the IMO type-approval process, the criteria to be used for sampling ballast and the need for 'grandfathering' of already fitted type-approved equipment.

<http://goo.gl/sZ2zt2>

US Visa Issues Affecting Seafarer Freedoms: The Seamen's Church Institute's (SCI) Center for Seafarer's Rights has found that 1,030 seafarers on 97 vessels were denied shore leave last year in the USA. An overwhelming majority (86%) of these seafarers were denied shore leave because they did not have visas. Other reasons for shore leave denials included terminal restrictions (7%), vessel operations (7%) and U.S. Customs and Border Protection restrictions (< 1%). They are urging the US to find answers as the actions of those supposedly protecting homeland security are making the job of seafaring even harder. SCI is looking to MLC to find answers as they look to force change. <http://goo.gl/VcpgTn>

Working Together on Stress and Distress: March on Stress and Human Rights at Sea have joined forces to provide expert psychological support options to personnel in the maritime industry. The collaboration will see both organizations working together in order to help build resilience and support the psychological wellbeing of maritime personnel. This includes working together to provide a bespoke package of Trauma Risk Management (TRiM) for the maritime industry. TRiM is a peer-support system which seeks to build resilience by keeping employees functioning after traumatic events by providing support and education to those who require it. <http://goo.gl/mVU95Z>

Rules One, Arsenal Nil: No guns. That's the first rule for foreign private security firms operating in Nigerian waters. The second rule: no foreign private security firms allowed. So how do maritime security companies hope to become market leaders in West Africa? One, Port2Port has spoken on the confusion over what Nigeria allows to combat piracy in its waters is unnecessary. Laws to prevent militias carrying arms were introduced for good reasons, and national licensing of private security companies (PSCs) means only a handful of international operators are currently operating lawfully. There is no such thing as a foreign private security company in Nigeria. <http://goo.gl/ZNyUhy>

Tanker Boarded off Myanmar: A tanker "Ocean Osprey", was boarded by six armed pirates en route to Yangon, Myanmar, on Monday in the Strait of Malacca, reported ICC Commercial Crime Services (CCS). The attack took place approximately 34nm southwest of Phuket Island, Thailand, in the early morning of 22 September, according to the report. The pirates tied up the second officer and the able seaman on the bridge, said ICC CCS, and then mustered the rest of the crew in the mess room. The second officer managed to activate the SSAS alert without being noticed by the pirates, who later escaped after stealing the crew's personal effects and money. <http://goo.gl/VS7z4Q>

Celebrating World Maritime Day in Numbers: As the maritime industry celebrates World Maritime Day this year, a wonderful new infographic is doing the rounds on many media pages. The graphic that explores the innovations regarding safety at sea. A single container ship travels the equivalent of three-quarters of the way to the moon and back – in one year! This infographic explores the modern shipping industry, the revolution in safety measures and how you can apply maritime safety principles at home. It does, however, neglect some of the more troubling aspects of shipping, perhaps it's time the ugly side of shipping made it into such pretty pictures? <http://goo.gl/X6uBW7>

Medical Concerns Outweigh Injuries: Despite the focus of shipboard safety the majority of medical consultations and treatments onboard are due to medical conditions, rather than injuries. However it is felt the scale of the problem is not appreciated. Data on infection and illness rates among seafarers are concentrated on European mariners and are insufficient in providing an in-depth picture of the threat to health from infection by pre-existing conditions or failings in shipboard hygiene standards. <http://goo.gl/pvJz6V>

Understanding the Most Lethal Cargo: Classification society ClassNK has announced that it will join a new European Joint R&D project to ensure bulk carrier safety. The project, called LiquefAction, aims to better understand the physical properties of cargo liquefaction in order to prevent bulk carrier casualties and is being carried out by a consortium of Europe's top research institutions. Cargoes that may liquefy, which include nickel ore and a variety of other cargoes including other ore fines. <http://goo.gl/b5sHgC>

Class Acts on Performance Measurement: DNV GL has introduced ECO Insight, a portal allowing shipowners to manage the performance of a fleet, including voyage, hull & propeller, engine & systems performance. The tool, presented at the SMM trade fair in Hamburg this Tuesday, enriches customers' own fleet reports with industry data, such as Automatic Identification System (AIS), weather, or fuel, and provides benchmarking capabilities. Systems such hull fouling prediction are also packaged into the portal. ECO Insight will combine with Navigator Insight, which will ensure quality data collection onboard through plausibility checks against specific vessel particulars. <http://goo.gl/AbhhhE>

Different Languages, Same Problems: The Swedish Club has been examining how different languages spoken on the bridge can lead to trouble. It was around midnight and the officers were doing the watch handover on the container vessel, which was sailing outside the Chinese coast. On the bridge was a Chinese officer who had signed on in the previous port but there were also the 3rd and 2nd Officers there. They were both Filipinos and they carried out the watch handover in Tagalog. The Chinese officer did not understand Tagalog so he just familiarized himself with the bridge equipment. Then the problems really began... <http://goo.gl/yPdpc7>

Vessels Run from Arrest in Malta: A second vessel has evaded arrest warrants issued by Maltese courts in the last few months. On August 26, "Madra", a 100-metre general cargo vessel registered in Belize, fled the waters of Malta to avoid arrest over outstanding debts of more than €220,000. The master of the vessel simply switched off its AIS and ran for it. Malta's navy (AFM) were unable to intercept the vessel, it lifted anchor and ran away heading to Beirut. In April, the tanker "MT Atlantik" also fled from Maltese waters - and it is becoming something of an embarrassment of the authorities. <http://goo.gl/fp4dgT>

Bridge Team under Scrutiny: The Confidential Hazardous Incident Reporting Programme (CHIRP) has received three reports of hazardous occurrences each of these would have been avoided if the bridge team had completed their own onboard checklists in a vigilant manner and not adopted a 'tick box' mentality to their own inspection routines. One involved a missing ships bell, another found the navigation shape for a 'vessel not under command' was incorrectly made. While in the third the off course alarm used when steering with the automatic pilot had been switched off for nine months. Small issues which could have led to big problems. <http://goo.gl/OrxmDS>

Looking to the Basics of Seamanship: It has been repeatedly observed that nowadays, seamanship onboard commercial cargo ships tend to be extinct. If it is indeed so, one cannot help but wonder in what degree this has taken place, which factors contributed and how severe are the related consequences for the shipping industry. But how important is the term seamanship? Seamanship shouldn't be interpreted only within the literal sense of the word, which involves the practical art of operating a ship. It should be attributed a wider meaning which is a combination of experience, knowledge, professionalism, safety culture and performance ability onboard a vessel.

<http://goo.gl/6WLMuC>