

SEACURUS BULLETIN

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LOOKING FORWARD TO 2015

MLC INSPECTIONS | ENVIRONMENTAL COMPLIANCE | MARITIME MIGRATION



Inside this issue we explore the challenges that lie ahead for shipping in 2015... from oversupply to simply winning business, the issues of conventions and compliance and the dreadful slew of accidents and incidents to have most recently beset the industry.

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Welcome

➤ Welcome once again to another issue of our all new Seacurus Monthly – as a new year is laid out before us. Thank you to the many readers who wrote to say how much you liked the new look. Inside this issue we provide our usual in-depth round up of some of the major stories which have been shaping shipping, but we look too at the year ahead and of how the anticipated trends will influence the next 12 months ahead.

2015 looks set to be an extremely interesting year, and there will be many challenges – not least the fact that the oversupply issue still has not been settled. There are still more ships in the market battling for cargoes, something which is heightened by the effect of so many mega sized vessels being delivered. With some predicting an end too, to slow steaming, it seems we could have bigger ships moving quicker between ports. Something of a double whammy for owners to contend with.

Away from the challenges of simply winning business, the industry will continue to wrestle with the Maritime Labour Convention (MLC). Indeed owners and managers are being reminded that in accordance with MLC, an intermediate

inspection of a vessel must be carried out for compliance with the convention.

This must be between the second and third anniversary dates of the date of expiry of the Maritime Labour Certificate. Thus, for the ships, which have already undergone inspection, in June 2013 a “window” for intermediate inspection is open from June 2015 and it will be valid for a year, until June 2016. So this year we are set to see just how the early adopters are getting on with their compliance.

It seems that the past year has seen many advances and improvements to welfare, and that MLC is slowly making itself felt. But we were shocked to see a slew of accidents, collisions, groundings, capsizings and even a ferry fire in the tail end of the year. It felt sadly as if so much of the positive undertakings of the industry were rendered impotent in the face of storms, raging seas, poor safety management and plain old bad luck.

Inside this issue we look at the “black swan” events which have hit shipping of late – these are the unexpected events which can affect us, but so too will we look at serious problems which have been slowly,

inexorably building for years. The environmental pressures which were given mooted welcomes back in the mist of time are now coming into force, and it is leaving shipping with a serious juggling act so do owners, stick, twist, scrub or ignore? We explore just who is doing what inside.

We also examine the dreadful problems of mass maritime migration, and of how this is affecting shipping.

Once again we hope you find Seacurus Monthly of interest, and look forward to assisting you with any further information of requirements you may have. We also want to wish you a very safe, enjoyable and prosperous new year ahead. <



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Looking Forward to 2015

As is traditional at the start of the year, in this issue of the Seacurus Monthly we look ahead to the year about to unfold before us, exploring what the experts say we can expect in 2015.

> According to the gurus of Lloyd's List, the year ahead can very simply be summed up as more container capacity owing to bigger ships, faster speeds, but freight rates are expected to be similar to last year – however, we are likely to see attempts to further control the market through further line consolidation.

The one real drama is expected to be the levels of congestion at ports, so while shipping seems to be making further positive strides, many of the advantages could be lost on the hard standing in a port near you.

The stand-out issues are thought to be:

Overcapacity:

There is no sign that this will go away any time soon – especially as Lloyd's List Intelligence states there is more than 1.9m TEU set to be added to the global container fleet in 2015. That is an addition of 10% to the total container fleet, and many of these vessels will be in the larger size categories.

More and bigger ships will squeeze the market and there are concerns that while scrapping activity may help, it is thought that only around 2.3% of vessels will head to the breakers.

You don't need your shipbroking exams to see that means an overall net fleet growth for 2015 of some 8.8%.

That is pretty gloomy news, and the analysts believe there will not be an improvement of supply-demand equilibrium until 2016.

The year ahead could be a tough one for the box trade.

Consolidation:

The next issue to be addressed is that of any possible future container line consolidation. The industry craves further consolidation to try to desperately offset the overcapacity and high fuel costs which have dogged the past year.

Alas for most companies' consolidation is difficult to achieve, not least because those that can already have, moreover, there is a high level of state ownership in the sector that creates further complexity whenever two of the largest shipping lines come together.

But that is not to say it is impossible. Last year saw Hapag-Lloyd and CSAV, Hamburg Süd and CCNI, CMA CGM and OPDR and Horizon Lines and Matson all bite the consolidation bullet.

It seems though, rather than consolidation, 2015 will be the year of the "alliance", so companies will look to work together, rather than coming together.

Congestion:

The tail end of 2014 saw a number of major global ports spotlighted for congestion issues. Uppermost were Manila and ports on the Western coast of the USA (USWC) as they hogged the headlines owing to the serious congestion which was blighting both port areas.

According to brokers, congestion at US west coast ports contributed to lower on-time containership

reliability in a number of months last year. November, according to Drewry's latest report saw waiting times at anchor outside of USWC ports reportedly running to one week in some cases.

This had a dreadful effect on carriers' schedule reliability. Drewry's reported Transpacific ships were on average 2.4 days later than scheduled in November. Inevitably, the main culprits were ships scheduled to dock at the most affected ports. The on-time percentage for ships calling at either Los Angeles or Long Beach was down to only 41% in October and 46% in November.

Unfortunately in the coming year congestion, backlogs and bottlenecks look set to stay. Industry experts have placed the blame firmly on bigger ships and the larger volumes of cargo being passed across the docks en masse. With vessel upsizing set to continue congestion and delays at ports are not going away any time soon.

This increasing scale is not just on the major trades, but also on the regional and smaller trades due to cascading – so there will be likely knock on effects elsewhere too.

For every action there is an equal and opposite reaction, and filling giant ships with thousands more boxes means that the container crunch has to come somewhere, and it seems ports are the next battleground as boxes have to be shifted into the logistics chain.

Rates:

Ultimately the whole business is all about the money and its freight

rates which make it all worthwhile (or not, as the case may be).

According to analysis there is little sign that freight-rate volatility will change on the major trade lanes in 2015. This lack of movement suggests that lines are unlikely to change their marketing or sales ploys.

Again the cause and knock on effect of new mega sized vessels means that inevitably lines will be under pressure to make sure slots are filled and external factors such as congestion, sulphur surcharges and seasonal demand will mean that lines will look to general rate increases to drive box prices.

The pattern of the past year is likely to remain, and while oil prices are down, the effect of emissions legislation will chew up any gains that could have produced.

The loudest message to emerge is that shipping lines will need to be resourceful to support freight rates in 2015; HSBC believes that as vessel supply is set to remain significantly higher than demand times will be tight.

The bank predicts that Asia's major lines will return to profit in 2015. However, this will be driven by lower costs rather than rising freight rates.

Ship sizes:

Much has been made of the rapid scaling up of ship sizes. The new dawn of the 20,000 TEU vessel sees lines looking to translate and balance economies of scale with lower slot costs. The juggling of one versus the other is the holy grail for companies today.

There is a feeling that we are not yet at the size ceiling – and with no immediate technical barriers to larger ships, most experts predict the birth of the 24,000 TEU vessel is not far away.



The largest ship today is the 19,224 TEU "MSC Oscar", which will enter service in late January, overtaking China Shipping's 19,100 TEU goliaths, the "CSCL Globe" and "CSCL Pacific Ocean", with Maersk's 18,270 TEU Triple-Es still making themselves felt in the market.

18,000 TEU-class ships are becoming the norm, as more and more lines have them on order – and most can easily be modified to a theoretical 20,000 TEU.

Ship speeds:

For some time the notion of slow steaming was the order of the day as oil prices soared. Indeed while pulling back on the sticks was regarded as something of a short-term gimmick it has proven very attractive to cut speed, consumption and the availability of the vessel.

As containerships cut back from around 26 knots to nearer 22 knots to burn less fuel, there was much method in their madness. Indeed today, super-slow steaming is the norm, low charter rates enabling lines to hire extra tonnage to maintain weekly schedules and still save money.

But with oil prices on the slide, will ships start to speed up again?

BIMCO has gone on record as stating its belief that slow steaming is now the norm and default setting. They state that even with oil prices continuing on a downward slide, the overcapacity glut means that slow-steaming should continue. "When you consider the entire dry bulk fleet on a global scale, overcapacity remains substantial," said Peter Sand, chief shipping analyst at BIMCO, adding that there was no wider case to be made at the moment for speeding up ships. BIMCO agrees with estimates of an operating surplus of some 25 percent in the market today. Sand added, "Lower ship speed has significantly assisted freight rates in staying higher than they would".

It seems even the industry leaders are divided on the matter; Maersk chief executive Soren Skou extols the benefits of very slow ship speeds for environmental and cost reasons, whereas Seaspan boss Gerry Wang expects some acceleration.

While there is confusion it seems likely that someone will push forward, both literally and figuratively, some express services are likely to emerge in 2015 – especially if oil prices continue to fall and bunker prices weaken.

TOUGH END TO YEAR

Shipping has made massive strides over the decades to clean up its act, to get safer, smarter and better at what it does. However, it seems that whatever progress is made there are still so many problems which can and do blight the industry.

> According to BIMCO there are a lot of “black swans” paddling into view at the moment. These represent the completely unanticipated things that nobody planned for in their forward projections and which provoke a startled rethink. It might be thought that ship owners are less worried than most by the unexpected; in the volatile and unpredictable world of ships, something is always turning up to upset the applecart. A storm requires a massive diversion. A vital waterway is closed. A long term contract is aborted. Political sanctions intervene in promising business. During the life of any ship, owners need to consider that the things that can go wrong, will.

Sadly in the final weeks of 2014 a number of such black swans left a dark stain on shipping. Perhaps the most high profile was the fire onboard the ferry “Norman Atlantic” in the Adriatic. The death toll has been on the rise since news of the fire broke, and at the time of writing the list of dead from the ferry fire had risen to 10.

Confusion reigned as it was reportedly unclear how many people had been on board and how many were still missing, but the Italian navy kept up its search, with at one point almost 40 people still officially unaccounted for.

As the search went on, survivors recounted the terrifying moments that the “Norman Atlantic” became engulfed by thick smoke in rough seas, forcing many into the chilly waters below.

Many passengers recounted how the fire triggered chaotic scenes as the crew struggled to cope with the disaster. One of the first passengers off in Bari told reporters he had thought he was going to die as parts of the ship became engulfed by thick smoke while many passengers were asleep in cabins.

“The lifeboats did not work, there was only one of them in the water and none of the crew were there to help people,” he said. The evacuation was completed nearly 36 hours after a fire broke out on the car deck and left the large vessel drifting dangerously.

Italian Transport Minister Maurizio Lupi said that 427 people had been winched to safety by helicopter over the course of a 24-hour rescue operation carried out in an unusually fierce winter storm.

The uncertainty over the scale of the disaster emerged after the evacuation was completed. However the ship’s captain Argilio Giacomazzi, 62, emerged with his reputation intact as he upheld maritime tradition by ensuring he was the last man off, handing over to Italian navy officers.

Questions are now being asked about how the fire started and why it was not contained. Italian prosecutors have announced a criminal investigation that will seek to establish whether negligence contributed to the disaster. Italian reports said the ship owner and captain could face manslaughter charges.

Different accounts of a safety inspection carried out on December 19 have emerged and several survivors reported the car deck as being covered by a film of leaked fuel.

Japanese Coast Guard personnel fish crew members of Ming Guang out of the chilly waters. The crew members abandoned ship after it started listing and finally sank. Photo: AFP



According to some reports an inspection of the ferry just days earlier found serious safety flaws. The “Norman Atlantic” was examined by port State control within the Paris MoU and was found to have faulty fire doors, too few life rafts and poor emergency lighting.

The vessel, which was operated by Greek shipping company Anek Lines, was also criticised for its plans for how to handle passengers in the event of an emergency - raising serious questions over whether the tragedy could have been prevented.

Details of the ferry’s ‘grave failings’ in regard to fire safety were published on Greek and Italian websites and the ‘deficiencies’ are likely to play a key role in any ensuing court case.

After the port state inspection it is understood that officials gave Anek Lines 15 days to amend the problems but there is not yet any indication as to whether they had been addressed by the time the ferry left Patros in western Greece on its doomed voyage to Ancona in eastern Italy.

Trade unions have been quick to attack Greek shipping operator Anek Lines and Italian shipowner, Visemar Navigation Ltd, claiming corners were cut to increase profits.

Ultimately it could also see ferries forced to rectify deficiencies before

any subsequent sailings. It seems fool hardy in the extreme to have found such serious problems on a passenger vessel, and to then let it carry on its voyage. The decision to allow time to rectify the problems may have doomed the innocent passengers.

Elsewhere there were a spate of collisions and vessels lost, but one rather interesting story caught our eye. That of the capsizing of the Cambodia-registered “Ming Guang”, with the loss of three crew off Japan as it sailed with a cargo of scrap metals on its way to South Korea.

At first glance just another tragic tale of a hard worked ship finding itself in trouble – but soon after the accident, it was suggested that the ‘Captain’ and ‘chief engineer’ of the capsized Cambodian ship were actually Bangladeshi labourers not professional, qualified and experienced officers.

In a tale which seems to have come from decades ago, when shipping was awash with fake tickets, it seems that the officers should not have even been working on the ship, let alone in command of it.

According to press reports, it has been alleged they had little knowledge of navigation and vessels, yet they were the captain and chief engineer of a ship.

The duo, understood to be from Bangladesh are Mostofa Kamal, the “captain”, who was a labourer in Mongla port. He studied up to class three at a primary school. While the “chief engineer”, Moniruzzaman, too was a labourer of the same port.

While they were working at the port, a broker named Saiful Islam managed to get them jobs in a Chinese company, the official said. Rather surprisingly, it seems that somehow the Cambodian ship authorities later granted them the right to sail as captain and chief engineer of “Ming Guang”.

There is much to be proud of within shipping, as it has cleaned up its act – but these two “black swan” events show how far we still have to go. It is simply not acceptable to have hundreds of passengers on ferries with known serious defects, nor masters and senior officers without a scrap of maritime training between them.

2015 should perhaps be the year in which we collectively further slam the door on substandard shipping, and do all possible to make sure that such dreadful accidents cannot occur again.



MLC INTERMEDIATE INSPECTIONS LOOM

Ship owners and managers are being reminded that in accordance with MLC, an intermediate inspection of a vessel must be carried out for compliance with the convention. This must be between the second and third anniversary dates of the date of expiry of the Maritime Labour Certificate. Thus, for the ships, which have already undergone inspection, in June 2013 a "window" for intermediate inspection is open from June 2015 and it will be valid for a year, until June 2016.

> Class societies are encouraging ship owners to schedule the inspections in advance to avoid excessive stress on themselves and their recognised organisations.

Liberia recently released its mandatory MLC Annual Report for 2013, according to the flag State, the data confirms that Liberia's proactive approach to enforcement of the Maritime Labour Convention (MLC) 2006 has resulted in an extremely low deficiency rate for Liberian-flag ships.

Liberia Ship Registry (LISCR) said in a statement. "Liberia has consistently led the way on MLC. It was the first flag state to ratify MLC 2006 and has been tireless in applying its training and implementation procedures. Liberia's first MLC Annual Report confirms this," said LISCR CEO Scott Bergeron.

It is not simply the legislative and regulation requirement that owners will need to heed. There are pressures building from the ITF for a new approach to manning issues.

The ITF is to campaign on the safe manning of vessels, as a result of new IMO requirements. According to the union, Flag states and shipowners must now safely and transparently meet the unique operational and administrative needs of each vessel. The days of "self certification" are over, and now the numbers onboard need to reflect the actual activities of the vessel. Thankfully a loophole which had been used by some is being closed.

Until now minimum safe manning was certified in accordance with company proposals which were then rubber-stamped by the flag state, and which took into account only the vessel's ability to navigate and manage basic emergencies. No allowance had been made for other crew duties, taking into account frequency of port calls, cargo operations, maintenance or administrative tasks. This process has been open to abuse.



With fewer people onboard working ever harder, the focus on leave rations, shore leave and recreation has never been more important. Alas, even with the advent of MLC there have been owners who short-change their crews, and keep their noses to the grindstone as long as possible.

The requirement for paid and sufficient leave have come to fore down under, and ship operators are being strongly reminded that they must grant paid leave to their seafarers or the Australian Maritime Safety Authority (AMSA) will detain their ships.

The government agency has warned that inspectors from AMSA, which is the agency that carries out Australia's port state control obligations, have found some seafarers are serving more than 11 months continuous service which is contrary to the Maritime Labour Convention (MLC).



With fewer people onboard working ever harder, the focus on leave rations, shore leave and recreation has never been more important. Alas, even with the advent of MLC there have been owners who short-change their crews, and keep their noses to the grindstone as long as possible.



This is not right, legal or proper and the Australians are now leading a charge against such conduct which is likely to be mirrored elsewhere.

The issue of seafarer employment rights has been widely debated of late. Indeed the European Union (EU) Council of Employment and Social Policy Ministers have agreed that seafarers in the EU should be given the same employment protection rights as onshore workers.

According to a statement by the ITF, rights to information and consultation, works councils and rights involved in cases of employer insolvency, collective redundancies and transfer of undertakings will now be extended to seafarers, who had previously been excluded from these EU Directives.

While a statement from the EU said: "This will not only improve their living and working conditions, it will also level the playing field in Europe's maritime sector." It is further proof of a move towards protecting

seafarers, and a new landscape means that owners are ever more responsible and accountable. Something which has been addressed within the Seacurus CrewSEACURE policies, and which provide a much needed safety net for those seeking to provide protection for seafarers.

Last month also saw progress in India as the Indian Parliament passed two bills to improve the working condition of ship workers and the shipping industry. The Merchant Shipping (Amendment) Bill, 2013 and the Merchant Shipping (Second) Amendment, Bill 2013. Union Shipping Minister Nitin Gadkari said the Bills were in the interest of the country, workers and the shipping industry and their provisions were in line with the recommendations of the International Labour Organisation (ILO).

The Bills amend the Merchant Shipping Act, 1958, bringing it into line with the Maritime Labour Convention.

IN DEPTH

DOES ENVIRONMENTAL COMPLIANCE ADD UP?

Risk Analyst
Steve Jones

With the 0.1% sulphur Emission Control Areas (ECAs) in North Europe and North America upon us the big question is whether ship owners are now switching to distillates, turning on their scrubbers, or flicking the switch for LNG conversions.

➤ Just what steps are owners taking to comply with the new ECA regulations that stipulate that vessels can only burn fuel with a maximum sulphur content of 0.1%? Or are they carrying on regardless?

It seems that many owners and operators are assessing the risks and rewards of whether it's worth being compliant.

For the likes of the cruise lines, they are compelled to comply and Royal Caribbean Cruises Ltd. (RCL) recently announced the installation of scrubbers on 13 of its cruise ships for sulphur compliance due to the "limited" availability of low-sulphur fuel.

"The decision to install advanced emissions purification (AEP) systems instead of switching to a fuel with a lower sulphur content will ensure that RCL's ships can be compliant everywhere they sail, as availability of lower-sulphur fuels is limited," said the company. The systems will remove 97 per cent of sulphur dioxide emissions, said RCL.

The decision ... will ensure that RCL's ships can be compliant everywhere they sail. As the issue has come the fore, the US Environmental Protection Agency (EPA) has issued an update to its guidance on ECA fuel sulphur content compliance. All owners/operators trading to and from the North American ECA will need to take note of, the change. In the US there are two federal agencies, which have regulatory enforcement powers with respect to MARPOL compliance - the EPA as well as the US Coast Guard (USCG).

The new EPA guidance essentially means that for the purpose of compliance, vessels will have to consider the use of distillate fuels if no other compliant ultra-low sulphur fuel is available prior to entering the ECA zones.

It's not all about USA of course, nor just sulphur issues. There is a whole raft of new legislation and pressure building concerning environmental issues and emissions. Over on the other side of the Atlantic, there has been concern from shipping as the European Union has pressed on with plans to monitoring, reporting and verification (MRV) of emissions of CO2 emissions for shipping.

Recently the Hong Kong Shipowners' Association (HKSOA) added its voice to opposition to the European Union's proposed moves. The HKSOA joined the International Chamber of Shipping (ICS) and BIMCO in opposing the plans by Europe for regional MRV monitoring. HKSOA says that as a global industry and as such regulations need to be global in nature and developed by the IMO.

But with most environmental issues being bogged down within the IMO, it seems that more and more unilateral steps may be on the horizon. While shipowners are under pressure, some do not feel much sympathy.

According to a statement from the union, RMT, the shipping industry is being "blatantly alarmist" when it comes to the new low sulphur regulations and the threats it poses.



The shipping and transport union states that the concerns the sector has about the restrictions, which come into force on 1 January 2015, "threaten to destabilise the already damaged sector and which pose a renewed threat to seafarers' jobs and training."

The organisation stated that the collapse of oil prices in the last six months means that the costs of the rules have been reduced.

New limits on the sulphur in fuel were announced in 2008 when the Chamber of Shipping welcomed them. But as the calendar has moved round, there is now a little less enthusiasm.

As the sulphur ECA legislation takes effect it will be with interest to see how it is policed, and how owners comply. Some ports are being very proactive. For instance the Port of Gothenburg has been outfitted with new technology called a "sniffer" that is capable of detecting sulphur content in exhaust fumes. The small fridge-sized box will help the Swedish port in enforcing Emission Control Area (ECA) compliance.

The technology, which has been installed in the port for the last few years in testing, was developed by researchers at the Chalmers University Technology with support from Vinnova, the Swedish Environmental Protection Agency and the Gothenburg Port.

In other environmental matters, last month the IMO secretary general Koji Sekimizu praised ICS' decision to stop actively discouraging ratification of the Ballast Water Management Convention (BWMC).

With only 2.46% more of world tonnage needed to ratify the convention before it enters force, ICS made the decision to reverse its long-standing opposition to the convention, following IMO's revision of the guidelines.

Changes included a more stringent type-approval process for new systems, in order that fully type-approved equipment would not fall foul of port state control (PSC) inspections. IMO member governments will begin to think how the requirements could be improved.

➤ *So as one piece of legislation comes into force, the battle lines of the next are being drawn up.*

MIGRATION NEEDS ADDRESSING

Another massive problem to have blighted shipping in 2014 was the almost inexorable and exponential growth of mass maritime migration. Seaways, such as the Gulf of Aden, Red Sea and, most notably, the Mediterranean became awash with boats full of desperate people trying to move to a new life of perceived freedom, wealth and safety.



Despite the winter weather thousands of people continue to brave the treacherous seas of the Mediterranean seeking to reach the shores of Europe. Ships traversing the eastern Mediterranean need to be prepared for the situation they may encounter there. P&I club Skuld has stated that members should be aware that the uncertain situation in North Africa and the Middle East has led to an increasing number of refugees attempting to reach Europe. This ongoing situation has come with significant tragedy, and with the launch of a new reduced force search and rescue operations in international waters will be more limited previously.

There has been major concern and, as covered last month in Seacurus Monthly, no end of political manoeuvring. Even the United Nations, through the UN High Commissioner for Refugees (UNHCR), has warned nations are losing focus on saving lives amid confusion among coastal nations and regional blocs over how to respond to the growing number of people making risky sea journeys in search of asylum or migration.

It is claimed governments are increasingly seeing keeping foreigners out as being a higher priority than upholding asylum. "This is a mistake, and precisely the wrong reaction for an era in which record numbers of people are fleeing wars," the UNHCR said. Adding, "Security and immigration management are concerns for any country, but policies must be designed in a way that human lives do not end up...collateral damage."

The Gulf of Aden (GoA) is now second only to the Mediterranean as a focus for seaborne migration, the UN High Commission for Refugees (UNHCR) revealed last month. In the first 11 months of 2014, the UNHCR recorded 82,680 crossings, mostly by Somalis, Eritreans and Ethiopians, who use Yemen as a staging-post to reach Saudi Arabia and the Gulf states. The sharp rise in numbers of migrants making the dangerous crossing near the Bab el Mandeb strait was blamed on "ruthless" traffickers. Experts believe there is a need, "to strengthen regional and national law enforcement "mechanisms", to tackle people-smugglers.

The scope and scale of the problem has prompted the ICS to publish "Guidance on Large Scale Rescue Operations at Sea". This was produced in response to the migration crisis which the ICS has stressed is, "necessitating commercial ships to rescue tens of thousands of migrants and refugees during 2014". The ICS is rightly concerned about the increased onus on ships to rescue migrants in following the end of the Mare Nostrum agreement and the stepping down of EU Search And Rescue (SAR) operations.

The Guidance on Large Scale Rescue Operations is intended to assist crew members and shipping companies in the eventuality of rescues of "as many as 200 people at a time". It seems that shipping and the many thousands of migrants are being let down by the many governments which seem to be making statements about changes in policy to save costs with little thought given to the legal ramifications of what they are decreeing. According to critics, governments are throwing the obligations and costs for humanitarian actions back on the shipping industry, with no reward for any efforts made and the threat of prosecution for inaction.

It is to be hoped that 2015 will see some positive changes, but that currently seems unlikely. Still the desperate people mass on the wrong side of the seas, and they are willing to risk life and limb to make it across. Often ships are their first safety net, and this places all in intolerable peril.



NEWS ROUNDUP A SUMMARY OF KEY MARITIME HEADLINES FROM ACROSS THE GLOBE

Action from West African States on Crime:

Hard times now await criminals in the high seas, as the Economic Community of West African States (ECOWAS) has pledged its commitment to talking oil theft, sea robbery, piracy and other criminalities in the Gulf of Guinea. Ministers said that pipeline vandalism and crude oil theft greatly affect revenue generation drive, hence the need for a tight maritime security. They said: "Maritime security is a cause for concern, given the export of oil from the Gulf of Guinea of over 5 million barrels per day and also additional discoveries from other member state." ECOWAS was praised for active participation against crime.

<http://goo.gl/k173Ae>

Wreck Removal Announcement:

The Nairobi International Convention on the Removal of Wrecks ("WRC") enters into force on 14 April 2015. Pursuant to Article 12 of the WRC which provides "the registered owner of a ship of 300 gross tonnage and above and flying the flag of a State Party shall be required to maintain insurance or other financial security. It is also a requirement to obtain a certificate from a WRC State Party attesting to such insurance. All International Group Clubs have agreed to issue Blue Cards so that Members may apply for a WRC certificate. Four WRC States' maritime authorities have agreed in principle to facilitate the smooth entry into force of WRC.

<http://goo.gl/3r0d9B>

BIMCO Bunker Contract Launched:

BIMCO has announced its new standard bunker contract, the BIMCO Terms 2015. Sample

<http://goo.gl/XDHiAe>



By Pete Souza, (<http://creativecommons.org/licenses/by/3.0>)

copies can be download from the Chartering/Documents section at www.bimco.org. "The objective of the BIMCO Terms 2015 is quite simple - to provide the industry with carefully thought through terms and conditions for the purchase and delivery of marine fuels that are fair to both parties and provide a comprehensive starting point for negotiations. What we've produced here is something we believe is fair and balanced for both parties", said Grant Hunter, BIMCO's chief officer for legal and contractual affairs.

<http://goo.gl/R90ojl>

Officers Charged with Manslaughter:

Egypt's public prosecutor charged the captain and first officer of a Kuwaiti container ship with manslaughter in connection with a collision in the Red Sea this month that killed 25 Egyptian fishermen, state news agency MENA said. The fishing boat capsized after colliding with the Panamanian-flagged ship al-Safat after the container vessel had passed through the Suez Canal on its way to Saudi Arabia.

US President Signs Security Acts:

The U.S. President Barack Obama signed into law on December 19 the Howard Coble Coast Guard and Maritime Transportation Act of 2014. Earlier this month, this bipartisan legislation passed both U.S. Chambers of Congress by unanimous consent. The law reauthorizes funding for the United States Coast Guard and Coast Guard Reserve, and the Federal Maritime Commission. It also provides policy direction and certainty for these entities and the entire maritime sector. "With this law, we are modernizing the Coast Guard and strengthening businesses that depend on maritime transport – which is almost every business".

<http://goo.gl/FB8nFN>

Superior Ships Come with Higher Price Tag:

South Korean-built ships are commanding higher prices than vessels from Chinese yards due to superior technology and greater fuel efficiency, according to sector analysts. In a research note, analysts reported a 16.7% premium for two recent South Korean-built vessels amid a challenging market for shipbuilders. "The two 156,000dwt Suezmax tankers that South Korean shipbuilder Daewoo Shipbuilding & Marine Engineering [DSME] clinched last week were priced at \$70M each," said a report. "The \$70M is higher by 16.7% than the price of a 160,000dwt tanker which will be built by China's shipyard New Times Shipbuilding."

<http://goo.gl/NW3gCR>



Floating Armouries in Spotlight:

The BBC reports that maritime (floating) armouries could be a security risk. In a new expose they ask how to arm the private security guards, and how to store the weapons when they are not in use? Initially, most weapons were stored in state-run, land-based armouries. But governments, such as that of Sri Lanka, became increasingly uneasy about having such large quantities of arms, ammunition, body armour, night-vision goggles and other military equipment on their territory. And so the floating armouries were born. Tugs, patrol boats, de-mining craft and other vessels have been converted by private companies into floating arms stores.

<http://goo.gl/Vsto5o>

**Ship Stopper Tech to Grab Vessels:**

Following a full product trial in New Zealand the Norwegian Coastal Administration (NCA) has signed its acceptance of the first of two ShipArrestor systems from Miko Marine. As a result Norway will become the first country in the world with a system that gives it the ability to protect its shores from the danger of drifting oil tankers and from the disastrous pollution that can result when they run aground. The system consists of a large fabric parachute-style sea anchor that is looped by a helicopter onto a ship drifting without engine power. This is achieved without any involvement of the ship's crew.

<http://goo.gl/PDjXKj>

Rena Shortcut Doomed Vessel:

The New Zealand Transport Accident Investigation Commission has blamed the crew and ship management for the grounding of the container ship Rena on Otaiti Astrolabe Reef three years ago. But it also concluded not enough data is being collected to make a meaningful analysis of shipping movements around the New Zealand coast for safety purposes. The grounding released large quantities of oil which polluted beaches throughout the Bay of Plenty, and the wreck continues to seep oil and other pollutants in rough weather. Rena ran aground because they took a "short cut" in an effort to reach Tauranga Harbour before a tide change.

<http://goo.gl/s8feJQ>

Pirate Payments and Insult to Seafarers:

The Maritime Piracy Humanitarian Response Programme (MPHRP) has reacted to the news that the French government has been ordered to pay thousands in compensation to Somali pirates who had attacked French ships, "because the pirates' human rights were disregarded when they were arrested". Roy Paul Programme Director for MPHRP said, "This decision would be unbelievable if it wasn't made by the European Court of Human Rights. The claim that this constituted a 'violation of their rights to freedom and security,' is an insult to the seafarers and yachtsmen they attacked as surely this is the true violation of the seafarers' rights.

<http://goo.gl/N7skvK>

Cruise Ships in Environmental Spotlight:

Cruise ships dumped more than a billion gallons of sewage in the ocean this year, much of it raw or poorly treated, according to federal data analysed by Friends of the Earth, which continues the call for stronger rules to protect oceans, coasts, sea life and people. Friends of the Earth's 2014 Cruise Ship Report Card reveals that some of the 16 cruise lines graded are slowly getting greener; but more than 40% of the 167 ships still rely on 35-year-old waste treatment technology. Disney Cruise Line was ranked as the most environmentally responsible line, earning an A for sewage treatment.

<http://goo.gl/u321tW>

Missing Seafarers Database Gets Kickstart:

Seafarers UK has announced a grant in support of Human Rights at Sea (HRAS), a not-for-profit resource for the international maritime community. The funding will kick-start a major new flagship project; the development of an international register of missing seafarers, including fishermen. HRAS was founded by barrister David Hammond, a leading voice and author for the on-going international development and codification of

'Human Rights at Sea' who said: Despite Human Rights at Sea being a very young organisation, I was humbled by the overwhelmingly positive reaction to the proposal and the financial support provided by donors.

<http://goo.gl/Rf6pYR>

Piracy Past Haunts Presidential Hopeful:

A Somali presidential hopeful has been found to have had rather a checkered past and is facing strong piracy allegations. The UN Monitoring report on Somalia that was published in October 2014 shows Kamal Gutale was involved in piracy. The report says he opened a bank account for Mohamed Abdi Hassan 'Afweyne' the kingpin of pirates, who is considered to be responsible for at least 24 hijacking and abduction cases and has often and publicly admitted his involvement, including during a 24 April 2013 interview with AFP. In 2010, the Monitoring Group proposed Afweyne for sanctioning. The evidence seems pretty damning.

<http://goo.gl/74Z6wH>

Seafarers Facing Prison and Fines:

Seafarers Facing Prison and Fines: Seafarers are amongst the most heavily regulated working sector in the UK with up to five governmental agencies dedicated to enforcing law and prosecuting criminal acts. "Even on the best run ship... accidents can, happen", says Howard Quinlivan, solicitor advocate with Bartons Solicitors. Bartons is seeing increased usage of gross negligence manslaughter combined with corporate manslaughter and directors of companies are now more commonly prosecuted in their personal capacities at common law for gross negligence manslaughter.

<http://goo.gl/btp6kw>

New Guide to Welfare Centres:

The new edition of the ISWAN Seafarer Centre Directory has been printed and is now being distributed to nearly 400 seafarer



centres around the world. Thanks to a generous grant from the ITF Seafarers' Trust, ISWAN has been able to update the directory in hardcopy and online. With an added geo-map of centre locations. The directory includes 429 bona-fide seafarer centres, all operating for the welfare of seafarers. It lists available facilities, contact details and opening hours, and it continues to be extremely valuable to seafarers looking for their nearest centre. A total of 60,000 copies of the directory are being printed and distributed.

<http://goo.gl/EQnbME>

Calls to Slash Shipping Red Tape:

BIMCO calls for ways to reduce red tape for shipping which will be presented to the IMO. The report comes from the Ad Hoc Steering Group for Reducing Administrative Requirements (SG-RAR), set up by the IMO in 2012, and identifies ways to lessen administrative burdens associated with mandatory IMO conventions and codes. Key findings of the report for reducing red tape include calls for, electronic certificates and similar documents, electronic "single window" information exchange system, all parties to accept suitable replacement for paper documentation, Identifying and reducing possible administrative burdens

<http://goo.gl/bMRpVo>

UK Club Looks to Self-Assessment:

The UK P&I Club is trialling a voluntary self-assessment scheme for its entered ships. The scheme is designed to help the club's shipowner members take a more hands-on role in identifying and controlling the risk of accidents on their vessels – which in turn could help to reduce their insurance premiums by way of reduced claims. This trial is the latest development in the club's recently adopted claims-based approach to ship inspections. Launched four years ago, this approach focuses specifically on measures needed to control the most likely accidents on a ship as identified by the club's database of 12,000 major claims.

<http://goo.gl/CZaoTL>

IT on IMO Agenda:

The IMO's Marine Safety Committee (MSC) met in London last month for its 94th session, with several IT issues on the agenda. The MSC approved the e-navigation Strategy Implementation Plan (SIP), a roadmap of tasks required to give effect to prioritised e-navigation solutions, including improved bridge design, equipment, communications and reporting. Cyber security was also on the agenda, with the Committee considering a proposal to develop voluntary guidelines on cyber security practices for ports, vessels and marine facilities. MSC agreed that cyber security was "an important and timely issue", but needs a multilateral response.

<http://goo.gl/hf4vBp>



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