

# SEACURUS BULLETIN

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## STEMMING THE MIGRANT CRISIS

WEST AFRICA CHALLENGES | CYBER FEARS | SEAFARER CONTENTMENT



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Inside this issue we explore the latest issues besetting shipping. Commercial vessels are facing so many different threats across the globe, political tension and violent crime are on the rise. With the ever changing landscape, what does the future hold for the maritime security market?

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IMAGE: Stolt Tankers BV

## Welcome

➤ Welcome once again to the Monthly Bulletin from Seacurus.

It has been quite a year already, and as our northern seasons turn, it seems the hot spots of political tension and violence are heating up. The problems have engulfed shipping, and perhaps not since the Second World War has so many commercial vessels faced so many different threats across the globe.

We are seeing Iran seemingly playing fast and loose with interpretations of international law in the Straits of Hormuz, there is the ongoing collapse of Yemen and fighting in the region is threatening vessels through the Bab el Mandeb.

Further north, there have been attacks on vessels loading off Libya, and the migrant chaos through North Africa and Turkey is causing terrifying problems. Add to that the fact that piracy is still threatening off East and West Africa, and around Asia, we are indeed living in interesting times.

You can barely have switched on the news or picked up a newspaper

without seeing the tragic human costs of the current migrant crisis in the Mediterranean.

Thousands of migrants are being plucked to safety from the sea or rickety boats, and the recent spell of good weather and calm seas have seen thousands more migrants take their chance to make it to Europe.

Shipping is in no position to deal with such a humanitarian disaster, but the legal, traditional and moral imperative to rescue at sea is a clear one – but how can the industry cope with the rising tide of human flotsam and jetsam which is in danger of swamping vessels? We look at some of the answers which are emerging.

This month, we also look at the maritime security industry, which has seemingly going through a turbulent time for the past few years. In fact it has probably never actually been through a period of quiet reflection which could explain a lot. As market demands change, there are commercial casualties –but what does that mean for the market?

The fact that armed guards cannot be used off West Africa is perhaps stoking the fire underneath the feet of many companies. A recent industry conference looked at the maritime security threats and challenges which exist up the entire West African coast.

It was stated that uncertainty, ambiguity and opacity face all those doing business in the region – and these can become ever more pronounced when issues of crime, terror, and piracy are discussed.

We hope you find this issue of Seacurus monthly of interest.



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# GLOBAL CHAOS ENGULFS SHIPPING



**Today hot spots of political tension and violence have seemingly engulfed shipping like never before. Perhaps not since the Second World War has so many commercial vessels faced so many different threats across the globe.**

## A YEAR OF CHALLENGES

The early days of 2015 have seen Iran playing fast and loose with interpretations of international law in the Straits of Hormuz, the collapse of Yemen and fighting threatening vessels through the Bab el Mandeb, there have been attacks on vessels loading off Libya, the migrant chaos through North Africa and Turkey, as well as piracy still threatening off East and West Africa, and around Asia.

Seafarers, cargoes, ships and trade are in the cross hairs of conflict in so many places and in so many ways.

These worrying, menacing and hugely dangerous developments have brought about a range of varying responses. Some of which are having positive effects, while for others the jury is still out.

## IRAN SEIZES VESSEL

The issues regarding Iran have perhaps been the most surprising – as last month Iranian forces seized “Maersk Tigris” flying the Marshall Islands, off the coast of Iran.

Initially in the confusion there were all kinds of theories and suppositions, as the Iranian Revolutionary Guard fired across the bow of the ship, then boarded it. There were screams of terrorism and piracy, and shock that the vessel could be grabbed as she innocently

passed through Iranian waters, preparing to enter the Strait of Hormuz.

The vessel’s manager, Rickmers Shipmanagement swiftly had to rise above the fog of confusion to gain an insight into what had actually happened and why, as they made every effort to secure the release of the vessel.

The 24 crew members, made up of predominantly Eastern European and Burmese seafarers, were the initial and primary concern – but once they were deemed to be safe and healthy, the focus switched to finding out what on earth had prompted the Iranian authorities to act.

## A COMMERCIAL IMPERATIVE

Initially Iran’s violent arrest was compared by some commentators to a hostage taking situation. It also emerged that another Maersk vessel, the “Maersk Kensington”, was chased by four Revolutionary Guards’ Navy vessels in the same area a few days prior to the seizure of the Tigris.

As facts began to emerge, it was stated that the seizure and arrest was based on a commercial dispute between Iranian interests and Maersk. The Tigris had simply been an asset impounded by Iranian authorities for strictly financial reasons. “The reality is limited only to damages that Maersk has made us suffer,” according to Hamid Reza Jahanian, head of the Pars Talayieh Oil Products company.

Jahanian said the dispute with Maersk dates back to 2003 when Maersk was responsible for the transport of containers sent by Pars Talayieh to the port of Jebel Ali in the United Arab Emirates, but the cargo wasn’t delivered to the customer.

Maersk Line, part of Maersk Group, said last month it was informed by Iran’s Ports and Maritime Organization that an Iranian court had ordered it to pay USD 3.6 M (EUR 3.2 M) in compensation in the case. If Maersk Line pays damages to the Iranian company, it is understood that “Maersk Tigris” will be released; otherwise the vessel or its cargo will be put up for auction.

Rickmers Shipmanagement, for its part, has been stressing that it has nothing at all to do with the dispute and has called for the release of the vessel and crew.

## US GUARDED IN RESPONSE, SWIFT IN ACTION

Rather interestingly, the US Government took an initially cautious tack. US State Department spokesperson Jeff Rathke refused to condemn the aggression and flaunting of international maritime law.

While the US may have remained tight lipped on the case, they have been swift to respond in more practical ways. The U.S. Navy has now begun accompanying U.S. flagged ships through the Strait of Hormuz.

The move is reportedly aimed at preventing harassment of ships transiting the strait, according to the officials, who asked not to be identified discussing military operations.

One of the officials said discussions are being held with other nations on whether to accompany their vessels as well.

## YEMEN ISSUES TOO

It is not just the northern side of the Arabian Peninsula that has been a concern for shipping. P&I club Skuld last month issued a member advisory warning to shipowners and charterers considering calling Yemeni ports.

Skuld said the Yemeni government in exile in Riyadh, Saudi Arabia, has issued a ban on all but essential shipping into the country, such as vessels carrying food supplies.

It is understood that Saudi Arabia has been asked to enforce the ban and ships may be allowed entry after receiving permission from both the Saudi government and the Yemenis government in exile.

“Before proceeding to Yemen, or even going close to its territorial waters, an urgent risk assessment has to be undertaken,” said Skuld.

# MIGRANT MAYHEM AND MURDERS IGNITE THE MEDITERRANEAN

You can barely have switched on the news or picked up a newspaper without seeing the tragic human costs of the current migrant crisis in the Mediterranean.

At the time of writing, calm seas have seen thousands more migrants take their chance to make it to Europe. A weekend which has seen over 6000 migrants plucked to safety from the sea or rickety boats.



IMAGES: TORM A-S

## Rising Human Tide

From vessels loaded with refugees from Syria heading from Turkey toward Greece on one side of the sea, through to those loaded with African migrants seeking new opportunities being launched from Libya. There is a rising human tide which threatens to swamp the European Union and which is having a massive and worrying effect on vessels in the area.

Ships in the area have been called on to rescue migrant vessels in trouble – and this is also a major concern; not just for the seafarers involved and their shipping companies, but the fact that vessels are ill equipped for such humanitarian responses when trying to rescue people, consequently it does not always go to plan.

Indeed a boat that sank in the Mediterranean last month with hundreds of migrants on board may have capsized after being touched or swamped by a cargo ship that came to its aid, a U.N. official said. Carlotta Asami, a spokeswoman for the United Nations' refugee agency, made the comments after speaking to multiple survivors from the disaster, "They say that there was a point in which they were very close and probably what happened is that, you know, a big ship creating a big wave – they were approaching in a very strong manner and they lost balance" Asami said

## IMO Looks To Act

In light of these concerns the IMO is to review legislation underpinning sea rescues by commercial shipping as a "matter of priority". At the recent 102nd meeting of the Legal Committee a report was discussed which stated, "Search and rescue systems maintained by the shipping community [are] not designed for rescuing hundreds of thousands of people drifting on small, unseaworthy boats left in shipping lanes."

The report called for "urgent action" on the "complex issue of mixed migration by sea", for "gaps" to be identified and addressed, and for a review of the relevant international legal regime by the Legal Committee, the Maritime Safety Committee (MSC), the Facilitation Committee, and the Council.

IMO secretary-general Koji Sekimizu has spoken out, saying, "the situation in the Mediterranean regarding the number of people in desperate need of rescue at sea is unprecedented in modern times and the principles and provisions of the SAR Convention were never designed for this kind of mass rescue operation."

Others are less circumspect and there are claims that the "beautiful tradition" of ships coming to the aid of distressed vessels is being abused by people smugglers. It is alleged that the traffickers are using ship tracking technology to target 'rescue' ships for their human cargoes.

## Shipowners Apply Pressure

It seems that with the traditions of rescue being abused and with the potential catastrophic effects when they are, then some form of change is needed. It is not just within the IMO that pressure is building – and pressure is being applied to the EU to act. European and global shipowners and seafarers' unions even penned a letter urging EU Member States to take immediate collective action in addressing the growing humanitarian crisis in the Mediterranean Sea.

In the joint letter to leaders of all 28 EU Members States, the European Community Shipowners' Associations (ECSA), the European Transport Workers' Federation (ETF), the International Chamber of Shipping (ICS) and the International Transport Workers' Federation (ITF) warned that the crisis is spiralling out of control. They warn there is a serious risk of further catastrophic loss of life.

There are warnings that for all the political lobbying and pressure, things may get worse before solutions are found. North P&I Club last month warned that shipowners must "be prepared" for more rescues of migrants at sea.

The Club told its' members there are, "security, legal, health and safety issues", to consider for vessels transiting the Mediterranean, with suggested measures including regular drills covering large-scale rescues, incorporating plans for accommodating and disembarking rescuees.

## Plans Slowly Emerge

The EU has backed a 10-point action plan to counter deadly migration flows in the Mediterranean Sea. The 10 point plan will see reinforced Joint Operations in the Mediterranean, and an extended operational area.

### The plans will see the following steps:

- Reinforce the Joint Operations in the Mediterranean, namely Triton and Poseidon, by increasing the financial resources and the number of assets.

We will also extend their operational area, allowing us to intervene further, within the mandate of Frontex;

A systematic effort to capture and destroy vessels used by the smugglers. The positive results obtained with the Atalanta operation should inspire us to similar operations against smugglers in the Mediterranean;

- EUROPOL, FRONTEX, EASO and EUROJUST will meet regularly and work closely to gather information on smugglers modus operandi, to trace their funds and to assist in their investigation;

- EASO to deploy teams in Italy and Greece for joint processing of asylum applications;

- Member States to ensure fingerprinting of all migrants;

- Consider options for an emergency relocation mechanism;

- A EU wide voluntary pilot project on resettlement, offering a number of places to persons in need of protection;

- Establish a new return programme for rapid return of irregular migrants coordinated by Frontex from frontline Member States;

- Engagement with countries surrounding Libya through a joined effort between the Commission and the EEAS; initiatives in Niger have to be stepped up.

- Deploy Immigration Liaison Officers (ILO) in key third countries, to gather intelligence on migratory flows and strengthen the role of the EU Delegations.

## Tackling The Root Cause

Unfortunately, just as we have seen in Somali based piracy – all the plans will count for nought unless the root causes are tackled. So it seems that the plight of refugees can only be relieved when the EU's foreign policy engagement is strengthened over and above just destroying the smugglers' boats.

Yes that may slow the flow, but the people will continue to flee to Libya if the root causes of their flight are not addressed. The poverty, oppression and scarcity of basics and lack of life quality are driving this plight.

So while the ten point plan will bring benefits, unless this sits alongside a concerted effort to not simply stem the tide, but change the flow – then the desperate, hungry and dispossessed will still see Europe as their only hope and goal.

# AN INDUSTRY IN THE SPOTLIGHT

The maritime security industry has been through a turbulent time of late – and a “rapid decline in the market demand” reportedly contributed to the administration of Poole-headquartered risk management company Drum Cussac. A report from the administrators said the group had a number of customers in the oil industry which, following the drop in oil prices, cut back on expenditure.

This in turn led to a reduction in the sales pipeline and profitability, resulting in a “significant short term cash requirement”. While the drop in oil prices may well have been a factor, for other players in the field the past year has been equally challenging. This has been termed a “crossroads” for the industry, and the evolution has been subject to much research and discussion.

*Thomas Bennett LLB MSc (Oxon), of V Henry & Co. Limited has recently looked at the past and present of the industry and has analysed the changes needed to ensure a future for private maritime security. Here we present a précis of his work - ‘Maritime Security At The Crossroads’*

> Somalia remains a failed impoverished state, which means that piracy in the Indian Ocean has not gone away. What started in the Somali North as a tax on shipping is a continuing threat to global trade, and while nation States have acted positively and while armed guards have helped, the threat of piracy remains.

There are concerns that Western powers will not finance armed forces to patrol the Indian Ocean indefinitely. So what of the armed guards and Private Maritime Security Companies (PMSCs) Bennett asks?

According to his paper, the business of maritime security must adjust and the cost of protection will fall as threats evolve. Competition will force prices down and many armed security companies will not survive. Some will merge. Consolidation is inevitable. Or so it seems.

Lest we forget - maritime security is still big business, the estimated total transit revenue in the Indian Ocean is estimated to be \$400 million a year. However, today, prices for transits on “vanilla routes” are so low that it is hard to discern how a profit is achieved.

The concern, according to Bennett, is that if there is no more profit to be had, then competitive tension will push all but a few players in this market to mutually assured destruction.

## Regulation? Not Really

Regulation was designed to ensure quality and standards – but Bennett does not believe that ISO28007 has worked. As he points out, “Some have it; some do not.

There are many buyers who do not require it. There are many sellers who do not bother. BIMCO’s recent endorsement of ISO28007 may help. It may be little too late. Buying patterns are entrenched”.

Bennett states that, “As former Royal Marines increasingly price themselves out of the market for guards the regulatory attire becomes increasingly irrelevant. ISO28007 may remain the standard for some; edicts from the UK may be the benchmark for others, but, economics is forcing this marketplace to change. There is a very long tail of buyers who have little time for edict; and an equally long tail of sellers who go along”.

So who can and should police this market? Flag States perhaps.

What of littoral states – those adjacent to the High Risk Area?

Again, there are economic imperatives at work. Nation states and their agents do well out of maritime security. There is no overwhelming rationale for change.

Which brings us back to regulation and market forces - consolidation in the maritime security sector is surely inevitable and may well be desirable according to Bennett.

As he stresses, any standard business textbook on strategy will tell you that a market with multiple competitors will shrink to but a few. In a shrinking market, consolidation pressures are more intense. Companies will merge in order to marshal forces. Bankruptcy will emerge where sale, merger or deep pockets are absent.

## Consolidation; What Consolidation?

To Bennett’s surprise consolidation has not happened. So it is important to ask why there is so much resistance - as companies wrestle with shrinking margins, taking risks, fighting to the death. Bennett, interestingly, believes the “fighting” issue is a clue.



IMAGE: ESC Global Security

The industry has seen at first-hand how former soldiers start companies – they trade their fighting spirit from the military to the commercial.

The competition becomes the enemy, the client the target. So without any commercial experience the alpha male make up of such companies leads to a community of egos who cannot see the benefits of cooperation.

With much experience of the personalities involved, Bennett rightly asks, “Who, after all, if two companies merge, is going to step down and be subservient to the other? Better to die trying than take orders from someone else”.

## A Solution; What Solution?

Thankfully Bennett believes there is a solution that offers ship owners respite from this worst of all worlds; and offers the maritime security community respite from itself. He

believes the answer lies in economies of scale, better logistics and in cooperation.

Clever logistics management is needed as the maritime security business cannot carry on trading through increasingly paper thin margins, Bennett stresses that the need to find efficiencies is key to survival for many companies. Logistics and financial modelling are vital – but so too is clear strategic thinking and sound commercial management.

Bennett believes that many maritime security companies do understand decent logistics, efficiencies and the bottom line. However, the small and fleeting client base has not allowed them the certainty to action it. Instead, he believes, companies are left with a piecemeal approach, which even falls into illegality at times. Inefficiencies have led to the sharing of men and in particular, weapons.

Sharing weapons is illegal, it is politically charged, and Bennett stresses, “it is extremely dangerous”.

This all means that we could be seeing the end of the maritime security industry as we know it – Bennett states that “it is the beginning of the end” and hopes that ship owners and charterers need to stand firm against the temptation to partake in this race to the bottom.

In summing up, Bennett reminds the shipping industry of its responsibilities. It is, he states, the preservation of the safety of life at sea that is the end-game of maritime security. All have to stand up for corporate social responsibility and their own role in the process, which may be hard as Somalia remains a failed State, as terrorism becomes ever more prevalent.

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# MAKING SENSE OF MARITIME SECURITY: WEST AFRICA

*Maritime security threats and challenges exist up the entire West African coast – but there are opportunities too. As such it is vital the industry is ready to embrace the positives while mitigating and minimising the threats.*



## EXPLORING THE ISSUES

A recent industry seminar explored the issues off West Africa, which were stressed as being extremely difficult and complex. Uncertainty, ambiguity and opacity face all those doing business in the region – and these can become ever more pronounced when issues of crime, terror, and piracy are discussed.

It was stressed, what happens ashore, affects those at sea, and so it is vital that industry is able to gain a clear picture of the socio-economic drivers, but so too the geo-political situation.

The region is experiencing rapid growth, and that will only exacerbate the problems – but it will naturally also mean more and more opportunity. By 2020 Nigeria will be in the top 20 World GDPs – this is not an area of the World which can be neglected from a business perspective. However, it is one which needs to be clearly understood and respected.

## POLITICAL ANGLES

Knowing who to trust and engage with is key to making progress, but speakers felt it could take a long time, perhaps even a generation or longer to make the real progress needed. This again is a massive challenge – the need to keep people and assets safe and secure while embracing the many different, evolving faces of local politics is key.

The operational landscape, laws, and threats – are all different on the West coast from the East, so the security model has to be different too. There is no one-size-fits-all security solution, but answers are needed and so the event was a great opportunity to begin to make sense of maritime security in West Africa, unravelling what the threats are, how they can be countered and by whom.

## The European Perspective: 4 KEY AIMS

Patricia Davies - European External Action Services (EEAS), provided the conference with the European Union (EU) perspective and the four key aims which they intend to focus on as the situation progresses.

These four aims are fundamental and set the scene for the approach which the EU is likely to explore and foster.

### The aims are to ensure:

- Common understanding
- Robust institutions
- Support for prosperous economies
- Strengthening of cooperative structures

The EU has a plan in place, the “EU Gulf of Guinea action plan 2015-2020” – an approach which sets out the milestones of progress, in the short (12months) medium (1-3years) and long term (3-5years).

The Action Plan reasserts the importance of taking all appropriate measures to combat maritime crime.

## Oceans Beyond Piracy Latest Data and Report

A review of the Situation in the Gulf of Guinea was provided by Jerome Michelet of Oceans Beyond Piracy (OBP). He spoke of the OBP report on West Africa, which will be released later in the year.

According to the unverified OBP data, they have received details of **67 West Africa attacks in 2014**, down from 100 in 2013.

The split shows **territorial waters are the most dangerous place, with 58% of attacks** – compared with 42% on the high seas.

The data thus far also suggests that the pirates in the region actually have a low success rate.

There are only calculated to be **one attack per 730 transits** – however, it was stressed that this is still too high.

It was stated that Nigeria is not just the home of piracy in the region, it exports it too – with **Nigerian gangs deemed to be responsible for attacks out on the high seas and in the territorial waters of other States.**

## IMPACT OF ELECTIONS

The facts and figures from OBP fed into the Geopolitical Situation in West Africa, which was assessed by Dr. Alex Vines of Chatham House. He stressed that the biggest question was how the new President elect of Nigeria could and would impact security.

Dr Vines stressed the West African security challenges are significant and growing in step with the regional development. They encompass the wider fundamental issues such as migration, food and water, but what we see is that the symptoms reach out to sea. This is where piracy, kidnap for ransom, drug, contraband and people smuggling, and illegal fishing make themselves felt – and solutions will be needed to make the region safer and secure.

## REPORTING AND DATA COLLECTION

Another answer to the problems in the Gulf of Guinea has been to establish reporting procedures via the Maritime Trade Information Sharing Centre. Fiona Rider – MTISC-GoG Project Officer, OCMF was on hand to explain more of the centre, its work and the processes in place.

The centre records, maintains and shares details of security related reports. MTISC established a “voluntary reporting zone” and the centre is now open and manned 24hrs a day. It currently receives 250 reports a day with 1500 vessels in total having been registered.

## THE VIEWS OF SHIPPING

Representing the views of the shipping, Dr. Phil Belcher – Marine Director, of INTERTANKO spoke on the challenges facing shipowners, more particularly tanker operators.

INTERTANKO is especially concerned about the security situation off West Africa –given the implications for tankers of oil theft and illegal syphoning. Perhaps uppermost in the concerns is the sophisticated nature of the pirate attacks off Nigeria.

In setting out the needs of tanker operations, INTERTANKO seeks to:

- Encourage reporting
- Improve and facilitate commerce
- Foster response from the International Community
- See involvement from industry

## EFFECT OF BANNING ARMED GUARDS

Dirk Siebels, Associate Analyst, Risk Intelligence, sought to provide an oversight and analysis of the current situation. Especially in light of the fact that NIMASA has banned armed guards, and ships are being detained – even with unarmed “advisors” onboard.

It was stressed that the Gulf of Guinea requires different security solutions to elsewhere, and it was seen that one of the most effective strategies had been to employ patrol boats for protection. As such we are perhaps seeing a form of gunboat diplomacy, however this comes with complications too, as at times it can appear like the privatisation of the Nigerian navy.

In a search for pragmatic, legal and workable solutions, there have been moves to provide designated zones for private security – these anchorages or marshalling areas can be protected and give some degree of assurance to the vessels in the area.

It is also understood that designated STS zones are being explored, and these could provide yet further evidence that innovation, investment and a commitment to change can bring rewards in the form of safety, security and certainty.

Whether it is by using legitimised gun boats or through safe zones, the entire coast of West Africa is in need of a security rethink and application of the same best practices which did so much to assist shipping off Somalia.

# MARITIME CYBER FEARS SURFACING

**More than 90% of the largest container lines are vulnerable to cyber-attacks, according to a report by Maritime Cybersecurity firm CyberKeel.**

**A fact which has sent shivers through the shipping industry.**

## VAST LEVELS OF VULNERABILITY

Cyberkeel reportedly found that 18 of 20 container lines were vulnerable to hackers, with methods including so called “click-jacking” – tricking shippers into giving away usernames and passwords by leading them onto a fake website hosting a perfect copy of the carrier’s genuine site. From then on, a hacker can act in the name of the shipper, conducting financial transactions, stealing funds and, ultimately, booking cargoes which could be carrying drugs, weapons or other contraband.

With the threats being emphasised and hammered home, maritime Cyber-security is fast becoming a hot-button issue. “Ships are increasingly computerised – they’re getting integrated control systems and systems are developed from electro-mechanical type of controls into computer servo controls,” says Lars Robert Pedersen, deputy secretary general and COO at BIMCO.

He added, “That can affect the manoeuvrability of the ship - the actual ability to control the equipment on board. But also there are ENCs and ECDIS, which are becoming mandatory. These need to be updated on a regular basis...the integrity of the chart system is one area of concern”.

## SHIPPING PROMPTED TO ACT

The fact that so many areas of shipping, both ashore and on vessels, are vulnerable has prompted the Round Table of international shipping associations (RT) comprising BIMCO, ICS, Intercargo and INTERTANKO into developing standards and guidelines to address the major cyber security issues faced by the shipping industry.

Protection against malicious attacks on computer based systems onboard ships is now hitting the top of the agenda for shipping organisations in all corners of the world. The International Maritime Organization (IMO) has already heard calls for action and the insurance industry repeatedly lists the issue as one for concern. The Round Table has made a submission to the IMO also.

**A key industry seminar on cyber security last year highlighted just how serious the issues are – as maritime and security experts came together to explore cyber issues, threats, vulnerabilities and opportunities to enhance security.**

At the 2014 maritime cyber security seminar it was stated that shipping is fortunate to have avoided being targeted, but experts believed that hackers will discover shipping’s “soft underbelly”, and when they do, and as bandwidth increases, the results could be alarming.

## POORLY DEFENDED SYSTEMS

While it is still considered that the current number of known shipping attacks is actually low, the industry is slowly waking to the threats and the implications. It is increasingly recognised that poorly defended systems pose huge risks, and there are concerns that criminals, pirates and terrorists may target shipping.

Vessels increasingly rely on automation and remote monitoring, key systems including navigation equipment could be compromised, combine this with the widespread use of USB thumb-drives the potential for systems to become unwittingly infected are great.

Once inside the shipboard system, the open architecture means that any virus entering a vessel has a chance to spread and cause problems. There is a clear need for enhanced systems, protocols and cultural changes to safeguard vessels.

## FACING EXTERNAL THREATS

One of the greatest fears for shipping is of the potential for external threats, and particularly the dreaded “hacker”. Technological advances and increased connectivity have opened the door to emerging threats and vulnerabilities. Cyber security on board merchant vessels (and even at major ports) is often years behind the curve compared with comparative shore-based computer systems.

**There are massively serious and worrying cyber security concerns within all three of the key maritime navigation technologies: Global Positioning Satellites, marine Automatic Identification System (AIS), and Electronic Chart Display and Information System (ECDIS).**

The vulnerabilities to maritime navigational technologies are wide spread and hugely concerning, ranging from an attacker with a cheap GPS jammer exploiting weaknesses, through to tampering with AIS data such as a vessel’s identity, type, position, heading and speed to shore stations and other ships.

It was also stated that in a recent report, a probing of the online defences of the world’s 20 largest container carriers found that 16 had serious security gaps. These are real problems, but it is currently unclear as to who is willing or able to tackle them.

## WHAT CAN BE DONE?

There are some who believe that cyber-security risks ought to be incorporated within the International Safety Management (ISM) code, and so be laid down within Safety Management Systems (SMS).

For others there is no need for a prescriptive set of rules – but there needs to be a change in traditional notions of managing safety and security. These need to be aligned with these new and perhaps unfamiliar cyber threats.

It is vital that shipping companies start by thinking defensively and building in resilience from day one. Every shipping IT security policy must be explicit and carry tough penalties for infractions. Shipping companies must also ensure that all staff are aware of the risks/ threats.

Ships need to embark on a simple “cyber-hygiene” routine to ensure that the more obvious vulnerabilities are managed. Thinking about this in plain security terms, locking a door isn’t going to stop the determined criminal but it will prevent opportunist thieves, and may also guard against accidental compromise.

Just because there have not been major cyber security incidents should not allow the industry to into some kind of false sense of security, and the problem cannot be ignored.

## LEGAL AND LIABILITY ISSUES

Significant legal, insurance and liability issues are likely to emerge relating to maritime cyber security which may be sufficient to force a response, especially as the marine insurance industry is beginning to awake to the cyber issue.

While the majority of policies carry some form of cyber-security exclusion clause, cover will kick in if the consequences of an attack fall under another peril category, such as fire or explosion.

There is also the issue of cyber security and seaworthiness to be considered. With the requirement for a ship to be fit to meet and undergo the perils of the sea before it embarks on a voyage. What, are the boundaries of ‘seaworthiness’ and would a cyber-issue compromise this?

If an accident happens or cargo is lost as the result of shipboard systems being compromised by a hacker or a virus contained within a digital chart system, would that count as negligence on the part of the ship owner? Would this mean that a vessel’s seaworthiness is affected?

As there is not yet any case law we currently have only questions, but if the threats grow at the levels predicted by the cyber security experts, it seems that case law may not be too far into the future. Currently there is no clear answer, but cyber security vulnerabilities could be a seaworthiness issue, and there are certainly already documentary concerns about Bill of Lading fraud.

These are early days as the industry wrestles with cyber security, and as such there is no current complete picture, but there are incredibly compelling warning signs and the fact that the Round Table has acted now is significant, and hopefully this will point a route ahead to manage the risk of attack and to limit its effects if the worst does happen.

## Basic Maritime Cyber Hygiene

**There are some absolute basics which vessels need to implement as practicable actions that do not incur excessive overheads or complications:**

- **Setting up strong user access control;**
- **Setting up strong network access control;**
- **Performing back-ups;**
- **Testing disaster recovery plans;**
- **Making sure any anti-virus software is kept up-to-date.**

# SEAFARERS CONTENTMENT QUESTIONED

*A survey currently being carried out by BIMCO and the International Chamber of Shipping has supposedly found that the majority of seafarers who answered are seemingly content with life at sea.*

> The BIMCO/ICS Manpower Report 2015 surveys seafarers to understand their views on life at sea and the outlook for industry manpower. So far seafarers representing over 40 nationalities have seemingly claimed to be content at sea. But they have also stated that timely wage payments and career promotion opportunities are important factors influencing people's decision to stay.

However, organisations representing seafarer interests, while welcoming the finding, have expressed caution over the lack of detail provided. The executive director of the International Seafarers' Welfare and Assistance Network, Roger Harris, said that although he found the results "generally encouraging", he would like more detail, particularly on the numbers that constitute the survey respondents, as well as the level of access they have to the internet.

## HAPPY SHIPS

It is interesting to see that the shipping industry is awakening to the importance of "happy ships", which are operated by seafarers who feel engaged, supported, rewarded, and respected. It seems that such a focus is long overdue, and according to industry commentator Michael Grey, it's not exactly rocket science to focus on whether seafarers feel happy. Grey believes that it is obvious that if you are sailing on a happy ship, with your wages paid promptly and in full, working for a company that backs up its value of you with decent promotion prospects, then your views of your life at sea are likely to be broadly positive.

Happy, satisfied, well fed, fit and engaged seafarers are less likely to have accidents, they are less likely to become disaffected. Happiness is the foundation on which everything is built. Happy people stick around, happy people work well, they embrace challenges, they look to excel and they share with others. In short happiness matters and it needs to be measured, assessed and understood, and the lessons need to be applied to ensure that we are looking after seafarers properly and responding to their wants and needs.

In order to really understand this "human" angle it is vital the industry garners the views from the "shop floor", and that it is able to spell out the findings even more clearly in our sceptical age.

## ABANDONMENTS STILL HAPPEN

With the advent of the Maritime Labour Convention (MLC) and now this sudden interest in whether seafarers are happy or not, one could be forgiven for thinking we are moving into a halcyon age in which those at sea are universally protected and revered.

Alas, this is not the case – and despite the collective endeavours of so many, the sad fact remains that all too many seafarers are still abandoned by their employers. When the worst happens and detentions bite, it is so often the seafarers who are abandoned and left to fend for themselves. Just last month news emerged of a group of seafarers stranded aboard an oil tanker for months after the shipping company they work for racked up more than \$300,000 in debt. Mongolian vessel "MT Surya Kuber" was banned from leaving Bahrain because its Singapore-based owner 7Seas Ship Management has not paid Asry and Kanoo Shipping more than \$220,000. It also owes around \$118,000 to its 16-member crew who claim they have not been paid since October. Asry took legal action against the shipping company and its Indian owners, and the seizure of the vessel was ordered.

So for all the concepts of contentment and happiness, the very sad and real fact remains that without protection and safeguards in place, then seafarers can suffer hugely at the hands of unscrupulous owners.



the first MLC compliant salary replacement insurance

Don't send people to sea without it,  
because bad things happen to good people.

[www.crewseacure.com](http://www.crewseacure.com)



# NEWS ROUNDUP

## THE OTHER KEY STORIES WHICH CAUGHT OUR EYE LAST MONTH

### Asian Piracy Spike Reported:

Anti-piracy watchdog ReCAAP has revealed that the total number of piracy incidents reported in Asia during the first quarter of this year has increased to 38 from the lowest of 29 incidents occurred during the same period in 2013. According to ReCAAP's quarterly report, four of the 38 incidents occurred during the period were incidence of piracy and the remaining 34 were robberies onboard ships. Meanwhile, the number of incidents reported in the Straits of Malacca and Singapore (SOMS) has doubled when compared with the same period last year and a number of ports and anchorages in Vietnam have witnessed an increasing trend.

<http://goo.gl/AFuuPC>

### SHADE Meeting Still Has Somali Concerns:

The 35th SHADE conference has convened in Bahrain to discuss counter-piracy efforts. This unique gathering allowed representatives from the commercial shipping industry sector, Military forces, Civilian and International representatives with a vested interest in the activities to prevent piracy activities to come together to discuss the latest developments in the fight against Somali based piracy. Attendees were quick to suggest that if the funding for counter-piracy drops and units ignore the advice that has clearly had a positive impact on the decline of successful pirate activity, we will likely see a resurgence of the threat.

<http://goo.gl/8p4W70>



### Creeping Trend of Complacency:

The trend in maritime security is one of growing complacency, the Chief Operating Officer of one of the UK's leading maritime security firms has warned. Gerry Northwood OBE from MAST said that there was growing complacency in terms of maritime security that could ultimately result in loss of life. He added: "The problem is that incidents of piracy are not infrequent, and I often see the under reporting and misreporting of incidents. All maritime crime is piracy; we should not hide behind the legal distinction of armed robbery in territorial waters and piracy on the high seas". "To the mariner...it is all piracy" he added.

<http://goo.gl/7MESGc>

### Tankers Attacked Every Two Weeks:

A small coastal tanker is hijacked by pirates in South East Asia every two weeks on average, a report from the International Chamber of Commerce (ICC) International Maritime Bureau (IMB) has revealed. South East Asia accounts for 55% of the world's 54 piracy

and armed robbery incidents since the start of 2015. After a steady drop in global piracy over the last few years, attacks rose 10% in the first quarter of 2015 on the same period of 2014. Worldwide, pirates took 140 hostages in the first three months of 2015, three times as many as during the same period in 2014. A total of 13 seafarers were assaulted and three injured.

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

### Crowdfunding Appeal for Maritime Safety:

Maritime Accident Casebook, the online safety resource for seafarers, has launched its second crowdfunding initiative to produce its next video casestudy, 'The Case of the Incurious Navigators'. Based on the grounding of the 'Ovit' on the Varne bank, looks at ECDIS issues, a common element in such incidents. When completed, the video will be available free of charge and can be copied and distributed at no cost. Currently Maritime Accident Casebook offers a video case study on lifeboat safety, 'The Case of the Fall from Grace', and some 40 audio podcasts with transcripts on its website.

<http://goo.gl/fsQV7E>

### IMO Makes Ferry Statement:

The IMO Conference on the enhancement of safety of ships carrying passengers on non-international voyages, held in Manila, the Philippines, last month, has adopted guidelines to aid the process of reducing the mounting toll of ferry accidents. The Manila Statement, adopted by the Conference, addresses the question of whether a ship is fit for purpose in its intended role.



It acknowledges the urgent need to enhance the safety of ships carrying passengers on non-international voyages in certain parts of the world. States are urged to review and update their national regulations in relation to their passenger ferries. <http://goo.gl/8cAC90>

<http://goo.gl/heTJVv>

### Seafarer Eaten by Sharks:

A coroner in Australia has ruled that a Chinese seafarer could have been murdered, thrown off a ship and then eaten by sharks. Sun Peng, 28, had a fight with another crew member on board the bulk carrier Great Talent in March last year as it sat off Australia's northern coast near Weipa, Queensland. The ship was waiting to load bauxite about 22 kilometers from the coast in waters reputed to be infested with sharks.

<http://goo.gl/9f2773>

### Banks Back Efficient Ships:

Carbon War Room has announced that several leading banks in the shipping industry, including HSH Nordbank and KfW IPEX-Bank, use energy-efficiency data in making investment and financing decisions. HSH Nordbank, KfW IPEX-Bank, and other banks surveyed indicated that vessel efficiency rankings—such as the A to G GHG Emissions Rating now form an important part of assessing risk and return, with inefficient vessels now representing a higher-risk investment. Energy efficiency data is also being used in credit-approvals.

<http://goo.gl/acLSWL>

### Propeller Club Grows in UK:

Propeller Club Liverpool, the latest Chapter of the International Propeller Club of the United States, has been launched in the city with a series of events hosting dignitaries and guests from the region, UK and beyond. The Propeller Club is an international business network dedicated to the promotion of the maritime industry, commerce and global trade. Currently most major US ports and many global ports and shipping business cities have also joined – including Manila, Monaco, Geneva, Barcelona, Singapore, Piraeus and London.

<http://goo.gl/DZt7vA>

### MLC Called into Question:

Human Rights at Sea initiative has launched a new campaign, stressing that the Maritime Labour Convention is, in its opinion, not far reaching enough. The aim of the 'Unlocking the issue' advocacy campaign is to bring human rights awareness to the forefront of the maritime and fishing industries and their regulators, the NGO said in a release. HRAS said that it was a "common myth" that MLC is a human rights convention which provides all the protections required for seafarers' human rights. "This provides a false sense of security to seafarers covered by the convention and highlights at best a misinterpretation".

<http://goo.gl/hEcsCx>

### Shipowners Dismiss Critical Report:

The International Chamber of Shipping is responding to recent claims by the European environmental lobby group Transport & Environment (T&E)

that new ships built today are less CO2 efficient than those built over 20 years ago. The ICS has dismissed the group's claims, which are based on a study by CE Delft, as "fanciful". T&E argues that the study shows that the efficiency of new ships built in 2013 actually deteriorated since 1990 by 10% on average. The study, titled Historical Trends in Ship Design Efficiency, analysed the development of the design efficiency of ships – measured by efficiency indicator values (EIVs).

<http://goo.gl/mYxq7r>

### Shipping a Magnet for Corruption:

Shipping is hit by more cases of corruption than just about any other industry, Alexandra Wrage, president and founder of anti-bribery compliance expert TRACE, says. "In many ways, the shipping industry is exposed to more levels of corruption than any other industry, as it is a global industry that does not have a mature anti-corruption compliance culture. This industry, is traditionally very opaque, and has only made a slow shift to greater transparency. Fraud, bribery, and other illegalities are endemic to some parts of the industry, and the world."

<http://goo.gl/0JgtF6>

### Crew Kidnapped off Nigeria:

Pirates have kidnapped three Nigerians in an attack on an oil industry supply vessel off Nigeria. The attack on the crew boat took place on April 8, "off the Nigerian coast", Bourbon said on its website. "The 3 crew members of Nigerian nationality have been kidnapped," the company said, adding an emergency unit based in Nigeria was immediately activated. The Gulf of Guinea off west Africa has seen numerous attacks of piracy in recent years. Between January and September last year the area recorded 33 incidents of piracy and armed robbery, according to the IMB.

<http://goo.gl/Xd4HQ5>

# SEACURUS BULLETIN

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