Welcome once again to Seacurus monthly – as the holidays approach, we hope this finds you in fine seasonal fettle. This time of year is often one of reflection and the past 12 months has been an incredibly interesting one for Seacurus, and the market as a whole.

Across the year there has been much talk of the fact that the war against piracy has been won, and a degree of complacency has crept into some quarters. The facts, alas, do not bear out this “glass totally full” view, and while it may behove politicians to overplay successes – the rest of the industry is thankfully not so easily fooled.

According to a snapshot survey by Lloyd’s List last month - a staggering percentage of respondents still feel that the coast of Somalia represents a risk to shipping. As one erudite commentator added, “you have a large number of unemployed healthy males and a few dedicated professional mischief makers stirring the pot”. Not sure we’d term hijacking as “mischief”, but you get the idea.

Such a response is fascinating given the agenda being promoted by some that Somali piracy has been fixed. As so many in shipping know, while there are few changes ashore there will remain a real threat to seafarers and vessels.

The year also saw the long awaited entry into force of the Maritime Labour Convention (MLC 2006), and the launch of our CrewSEACURE policy which fills the gaps left when seafarers are abandoned and wages are left unpaid. For their respective roles, the MLC is starting to make its presence felt and CrewSEACURE has won awards and plaudits across the industry. So all in all we are making real progress.

Such progress coincides with the publication of a new leading legal authority on the Maritime Labour Convention to which Seacurus were proud to be invited to pen the chapter on Seafarer Abandonment Insurance. Details of this new publication are expanded upon within the newsletter.

It has also been a time of change for Seacurus and we are pleased now to be a part of the Barbican Group Holdings Limited. At the time of the deal we felt that becoming part of Barbican would provide us with an excellent platform from which to further expand and enhance the comprehensive range of bespoke solutions we deliver to our clients in the shipping industry. As the year has progressed this has increasingly proven to be the case.

It just remains for all of us at Seacurus to thank you for your continued support, and to wish you a very Merry Christmas and a prosperous New Year.
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Announcement - Seacurus Goes Social

Seacurus are glad to announce the launch of our Twitter (@seacurusltd) and LinkedIn profiles this month.

Our twitter account will keep you up to date with the latest news and trending subjects in relation to our market and products, whilst our LinkedIn account aims to inform you on the developments of Seacurus internally and externally and how we endeavour to align our business with the changing market.

With the Maritime Labour Convention now in force, the shipping industry is faced with a new international convention that has comprehensive implications across all sectors. This vital text provides timely analysis and thought-provoking essays regarding the Convention's application and enforcement in practice. Hailed as the “Seafarer’s Bill of Rights” and the “fourth pillar” of the international regulatory regime for quality shipping, the Maritime Labour Convention is set to significantly alter the playing field for key stakeholders.

University of Southampton’s Jenifer Lavelle has brought together expertise from across the maritime sector to put together a diverse and interesting commentary in respect of the Convention’s impact on core sectors of the shipping industry. The work identifies both strengths and weaknesses of the Convention, as well as potential hurdles that will need to be overcome.

Each chapter focuses on a different aspect of the Convention, ranging from individual rights of the seafarer to challenges of flag State implementation. Special attention is given to enforcement through examination of the innovative measures provided in the Convention itself, along with discussion of domestic enforcement mechanisms in certain States. Furthermore, the book evaluates whether the Convention has filled existing gaps in maritime labour law, resolved prior difficulties or created new problems.

Thomas Brown, Nick Maddalena and Denis Nifontov, all of Seacurus, have contributed one of the chapters in the book: Seafarer Abandonment Insurance: A System of Financial Security for Seafarers. The Chapter examines the historic problem of abandonment of seafarers and how the Convention has tried to address this problem. It also analyses and offers an insurance solution (using CrewSEACURE as a case study) to shipowners in trying to comply with the requirements of the Convention dealing with abandonment. Although relevant now, the issue is set to become yet more relevant next year when the Convention is to be amended to extend its provisions and requirements with respect to abandonment.
This book expertly addresses issues of fundamental importance to national authorities, shipping professionals and associations, maritime lawyers and academics worldwide. 

Use discount code CD228 for 10% off.

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Contents of the Chapters:

5. Crewing Insurance under the Maritime Labour Convention 2006, Johanna Hjalmarsson
7. Seafarers and Modern Piracy, Graham Caldwell
9. How to Determine Jurisdiction and Governing Law in Disputes Arising out of a Seafarer’s Employment Agreement, Jennifer Lavelle
Hitting Bottom

As 2013 runs down and as party season breaks out in the capital cities of our fine industry it is perhaps a time of reflection. Looking back on the year is usually the preserve of Channel 4 and programmes featuring comedians or reality TV stars unlikely to be remembered as Old Father Time knocks, wanting his year back.

The tail end of the year has been a fascinating one, and has given some peeks to the possible struggle of “old versus new” economies which will lie in the 12 months ahead. The crypto-currency Bitcoin surged upwards after bankers began to give quasi-endorsement for its potential for (legitimate) digital applications…and so the classic signs of a bubble began to form. While away from the bits and bobs, Warren Buffett announced a new $3.5 billion position in an ‘old economy’ energy company ExxonMobil.

There are seeming differences on the trail of profit…but perhaps more telling is the fact that the world’s ultimate trader/investor George Soros took positions in several dry bulk, publicly traded companies in Q3 2013.

The collective investment by the Soros Fund Management is only a few million dollars (less than $7 million, in all) and a very minor slice of the fund overall (less than 1%), but the move was enough to suggest to some that shipping’s cyclical recovery is on.

The companies that benefited from Soros’ seal of approval were Dryships, Baltic Trading, Navios Maritime Holdings, Navios Maritime Partners, Safe Bulkers, Diana Shipping and the product tanker company Ardmore Shipping.
The more up-beat, glass half full types see that asset prices for vessels have kept improving on fairly solid activity of vessel trading and acquisitions. While the more grizzled and wary believe that times have been so hard of late, that there has only been one way…and that is up. When a market cannot get any worse by default, the market has to move up, surely?

Indeed, the belief in better times ahead has prompted a raft of acquisitions, and the purchase of a 2012-VLCC tanker at a price circa $90 million has set tongues a wagging and mice buttons a clicking. While Scorpio Tankers is rumoured to have placed an order of four VLCCs at S. Korea’s DSME at about $90 million per vessel; this order is on top of the ten (10) VLCCs announced last month by Navig8 and DHT Maritime.

$90 million for modern VLCCs may not seem too high, but with the year-to-date freight average is just $15,000 pd it can perhaps be considered that “things cannot get worse”. Let’s hope the money men have got their sums right and the desire for better times aren’t just wishful thinking. Some have begun to think that moves to embrace Iran and ease sanctions could lead to more VLCC traffic. But it seems that while an easing of sanctions may help smooth crude exports to its big Asian customers. The US State Department has stated that Iran’s crude oil sales cannot increase in the next six months. While the industry view seems to be that the apparent easing on insurance restrictions could provide for an increase of 200,000 to 400,000 bpd in Iranian exports, particularly to Indian refiners.

Over supply has been the curse of the past couple of years, and has led to many an overstretched, under chartered owner finding vessels arrested and crews trapped by the spiral of abandonment. This downward spiral is perhaps likely to be compounded by rising costs.

Last month saw ship owners and managers across Europe and Asia claim that operating costs of vessels are likely to rise by over 3.2% in 2014. In a new survey conducted by Moore Stephens, it was revealed that the crew wages and P&I insurance are likely to increase most significantly within the period under review. Crew wages, which grew by 2.4% in 2013, are expected to rise by 2.5% in 2014, with other crew costs likely to go up by 2.2% within the year under review. The cost of P&I insurance, at 2.4% in 2013, will witness 2.5% increase in 2014, while H&M insurance are expected to increase by 2.0%. It can perhaps be seen that the light which some see at the end of the tunnel could actually be an oncoming train.
Looking Ahead

It is not only a time to look ahead to the flows of cash and investment which will shape the year and perhaps decade ahead. The near future is set to see ever more shipping activity – whether lifting goods or working offshore. With such growth it is likely that the threats facing crew and vessels will increase.

A recent study set about breaking the “cycle of misunderstanding”, to show that where maritime threats are set to emerge it is by spotting the dangers at an early stage the industry can ensure seafarers, cargoes, vessels and global trade to remain protected.

The emphasis is on understanding the threats, and this is key to keeping trade flowing. Just as the Earth’s rotation is the engine which drives our climate, the need to move goods from different parts of the world is the driving force behind the shipping industry. The fundamental fact that so much of the world’s resources or means of manufacture are found far from the ultimate consumers means that globalisation has rested on the ability for shipping to make the movement of goods and raw materials a reality.

This poses a degree of risk for the seafarers and vessels making these potentially dangerous voyages. Since time immemorial those who go down to the sea in ships have been vulnerable to not just the vagaries of the weather and seas, but to other threats too. The vicious nature of criminals, terrorists and the fact that ships are inherently exposed as they plough their lonely furrow across the oceans cannot be underestimated or ignored.

So what of the future? In assessing threats, risk and vulnerability it is perhaps important to appreciate how trade may evolve. So what shape will shipping be into the next decade and beyond?

Issues such as the quest for alternative energy supplies, and developments such as lab grown meat will likely have some impact on the movement of goods, materials and hydrocarbon products. However, where the flow of trade may incur so many ton-miles, it could be that the next generation of shipping is focused on exploitation of the seas. We will look to work under the waves, while possibly living and working above it.
In order to safeguard the vast investments needed to make the future moves out from the coast possible, it will be vital to ensure that the people and vessels used are not just properly constructed and operated, but they need to be secure too. The risk management approach which has proved so popular within the corridors of shipping power has to be applied equally to all threats and opportunities. Such risk management will need to embrace practical as well as financial solutions, and we are likely to see a growth in the risk transference as owners hedge the hazards facing them between increased take up of innovative insurance products, a greater use of intelligence and data assessment, and where necessary a reliance on good old fashioned physical security.

According to the Global Ocean Commission (GOC), there is growing evidence that governance failures in international waters are having an impact on economics, food supplies, piracy, security and human rights, as well as on nature. It would therefore seem that security will play a vital role in safeguarding the rights of parties looking to legally and sustainably manage activities out on the high seas.

While it would perhaps seem that this is the role of navies, it has been increasingly seen that where private, commercial entities are involved, as governments are hesitant to commit to the expensive task of providing naval support. Given the delicate balance of rebuilding global finance and government coffers it perhaps seems unlikely that the public purse will be widely opened for the pursuit of private gain. While the naval assets which have gathered off Somalia and in the Indian Ocean may suggest otherwise, for many politicians it seems that maritime activities are not yet vote winners and as far as the electorate is concerned shipping is literally out of sight and mind.

The GOC and other similar bodies are seemingly determined to change that. They see the high seas as humanity’s future; and they believe that across all sectors of society there will have to be accountability for those who intend of using it. That will ultimately mean the maritime developers of the future will have to ensure they can reassure stakeholders that they are able to operate without falling into the hands of criminals – be they pirates or terrorists.

The ‘Paris Call for the High Seas’ states there are serious issues relating to the control of the high seas which constitute almost half of the planet’s surface. They lie beyond countries’ national waters and thus sit under a governance regime that has not evolved in response to modern scientific understanding or to rapid advances in extractive technologies.

An international opinion survey has showed overwhelming public support for sustainable management of the global ocean. Eighty-five percent of respondents in 13 countries said governments should take the needs of future generations into account when deciding how to manage the high seas, with only 5% opposed. There is a clear emphasis on this management to ensure that criminality is not allowed to take a grip on the moves of society offshore.

The Global Ocean Commission, jointly chaired by former Costa Rican President José María Figueres, South African Minister Trevor Manuel and former UK Foreign Secretary David Miliband, will issue a set of recommendations for reform in the first half of 2014.
It seems likely that accountability will be a key element of these developments. The pressure is already beginning to build and there have been calls for all vessels on the high seas to carry identification numbers and be trackable using satellite or other technology. While, currently, passenger ships and merchant vessels over 500GRT have to carry unique and unchangeable International Maritime Organization (IMO) numbers, and to operate equipment allowing real-time tracking there are concerns that other craft on the high seas do not.

According to the Commission, Governments are well aware of the security issue, and many of them are taking steps to combat it in their own waters. However out on the high seas, it’s a different matter; there’s been very little progress, despite clear evidence of criminal activity including piracy, drug smuggling and illegal fishing.

The future of shipping is one of ever greater risk but heightened reward. Where we might see a future of unmanned vessels we will need to see the security threats and implications properly and effectively managed. Where we might see people living in offshore communities, we will need to have security built in as a prerequisite and as a key element of society’s move over the horizon. Insurance will play a key role in such change – just as it has for centuries. For every brave new idea, there is a need to minimise risk, and the next decade, will likely see the same old threats evolve little, but spread wider.

The curse of piracy will adapt and take root in the places where the climate is most conducive – such as the current shift from East to West Africa. The same with smuggling and terrorism – where there is a weakness it will be exploited.

While the growth of our current trades will drive the short term growth out at sea it will likely be the predicted population explosion which will shape the responses beyond that. The need for space will likely see more people looking to the sea for room to live, work and thrive. It seems the key to maritime security in the longer term is one of anticipating the technological, sociological and demographical changes and being able to provide the solutions which ensure that protection and defence are built in as a core basic consideration.

It seems that civil society and industry will likely move beyond the traditional borders and barriers of today, and that will pose a significant challenge for the commercial interests leading the charge. We should not allow the fears of security to limit our expansion into a brave new oceanic world, but we should recognise the threats and deal with them through proper and effective responses.
New Guidance

The standardised contract for the use of private security, GUARDCON (which was issued by BIMCO in March 2012) has proved a great success. According to Ince &Co. GUARDCON is the third most used BIMCO form, after the GENCON and Supplytime charterparty forms, and has amassed over 4,000 downloads.

While the contract has served its primary focus well, that of operations in the HRA in the Indian Ocean, when applied to the West African situation, concerning gaps in it’s provisions have caused serious concern.

In general terms, the littoral states of West Africa do not allow PMSCs to operate with weapons inside territorial waters. Further, the fact that most vessels are not in transit with obvious embarkation and disembarkation points makes the logistics of operating in the region difficult.

What has been seen as been a growth of PMSCs acting as intermediaries and “broking” the services of local security guards. In order to ensure that the contracts used by its owner members are suitable, BIMCO is set to issue a set of Guidelines for GUARDCON when using private military and security companies (PMSCs) as intermediaries employing local militia as security.

At the 7 November meeting of the Documentary Committee it was agreed to publish a “health warning” to advise owners of things they should take into account when considering using GUARDCON with PMSCs as intermediaries to employ local military or law enforcement personnel as security guards within the territorial waters of a state (chiefly West Africa at this time).

GUARDCON was originally drafted in the context of Indian Ocean piracy that was predominant at the time and which took place in international waters. Using GUARDCON to contract with PMSCs to employ local security personnel within territorial waters (as required by the law of the state) requires special considerations and amendments.

Although owners can, if they wish, recruit the services of local military or law enforcement personnel directly through locally-based agents, GUARDCON is not suitable for this type of agency arrangement and should not be used for this purpose.

If owners choose to use the services of a PMSC to assist with the planning, administration and logistics of using local military personnel in an intermediary role, the guidelines will assist in providing some suggested amendments to GUARDCON to cater for these special circumstances.

The GUARDCON Guidelines are due for publication later this month, and we will bring you more details in due course.
CSR Back in Focus

It is perhaps a positive sign for the industry that issues such as Corporate and Social responsibility (CSR) are back on the conference agenda. While companies are fighting for their very lives it is perhaps hard to prioritise things which are sadly perceived as “nice to haves” or seemingly superfluous to business. So as there are signs that we are all emerging blinking from the dark times of recession, it seems a good sign that people are talking about developing the good within their companies, and not rationalising and cutting back.

The recent Shipping and CSR forum in London, run by Capital Link, was an opportunity to hear about the successes of some, and the yearnings of others, as the importance of moving forward with plans to make business thrive rather than simply survive take centre stage. While more than 200 stakeholders from the maritime world gathered at the Culture Yard in Elsinore, Denmark last month to join the World Maritime University, in collaboration with the Danish Shipowners’ Association, for a major international conference focusing on maritime CSR.

Perhaps unsurprisingly the Maritime Labour Convention (MLC 2006) was a major focus, and the need for shipowners to ensure that they are able to look after the human element of their operations, rather than just the nuts and bolts. The Mission to Seafarers was on hand to remind the audience of not just the legal requirements, but the moral imperative too.

The shipping industry is one which often only comes into sharp focus when vessels are alongside – and so it was noted that seafarer abandonments are a tragedy for not just the crews who suffer, but they besmirch the entire industry. While the MLC has made a difference with seafarers being offered repatriation it was also stressed that often they do not feel able to take advantage of this, as they are more worried about what will happen to their outstanding wages if they do accept the plane ticket and head home.
All too often seafarers feel compelled to remain on the vessel to be in a position to apply pressure on errant owners to pay what is owed. Regardless of the MLC effect, and whatever the efforts of good owners to explore the positive philosophy of CSR, we all suffer the reputational hit when cold, starved and lonely seafarers are forced to endure on abandoned vessels to try and force the payment of wages they have worked so hard to earn.

There was a focus too on the role of technology and CSR - though it was stressed that technology is something which shipping has historically fought shy of. As such it was felt the industry still has a slightly edgy relationship with it.

Innovation though is something which can lead to the change which sees technology embraced and harnessed in a way which genuinely provides positive change that will lead to the technological advances which can help the “triple bottom line” – of “Profit, People and Planet”.

Unfortunately it was felt that the barriers to wholly embracing technology and innovation within shipping appear to be primarily cost driven, but some also felt there are also issues surrounding the conservative nature of the trade and resistance to change. Change in shipping does not always deliver for all three elements of the triple P’s – and profit still seems to be the overriding concern - perhaps understandable in today’s hard times. Some did question where the investment in CSR was when freight rates were at record highs not so many years ago. Cue some uncomfortable squirming in seats…

There were some negative effects of embracing change, and it was stressed that the introduction of “eco-ships” has meant that “older” vessels are plummeting in value. So whether trying to comply with legislation or trying to do the “right thing”, the world fleet is affected and so too are the potential profits. It was stressed that bankrupt businesses deliver zero CSR! So there was a call for some degree of balance.

Away from the technical aspects of vessels and their values, the focus returned to seafarers and the issue of connectivity. One speaker said that we cannot talk about CSR with straight faces if we are still sending seafarers off to sea for months without access to the internet. Something which had many in the room nodding with approval.

Access to communications and the connections and relationships they bring are now seen by many to be a human right (a concept enshrined in law in some nations), and to deny so many seafarers was deemed to be making a mockery of the concept of CSR - because the ability to provide the access exists.
By shying away from providing connectivity to seafarers it was suggested that culpable owners are failing and falling at the very first hurdle of CSR, especially if the only barrier is the perceived cost. Until seafarers have universal connectivity and access to the internet, it was felt they will always be side-lined in a seaborne ghetto. A problem which many felt the shipping industry should be doing more to solve.

In the UK one of the most heavily played TV adverts of the Christmas period sees a seafarer jauntily finishing his shift before retiring to his festively decorated cabin and chatting to his family on his shiny new Google Nexus 5. This is the reality as the world now sees it, and it should be saddening and maddening that it is not the reality as most seafarers see it.

### UN-certain Future

It seems that a number of governments are becoming increasingly wary of the provision of armed guards on ships. While a number of flag States have been open to the concept, a range of coastal and port States are increasingly uncomfortable.

As guards from a US company languish in an Indian jail, Sri Lanka has voiced its concerns about private maritime security. Sri Lankan Naval Chief Admiral Joshi has called for international regulation of private maritime security. As he believes that some companies may become a “law unto themselves” – even adding that he believes some may end up actively assisting pirates, criminals, smugglers, gun runners, human traffickers and terrorists.

Admiral Joshi believes there are about 140 private armed security agencies operating in the Indian Ocean. According to the Admiral many of these agencies are effectively unregulated, and in the absence of international norms, the fishermen and other mariners bore the brunt of their actions. He said there are no problems if ships are unarmed but if there were armed personnel on board, they become ‘Men of War’. Such sentiments are concerning and possibly paint a changing picture of the use of PMSCs in the future.

The international response to Somali piracy has been impressive and has brought some results. Changes to laws have allowed prosecutions and imprisonment, navies have massed and worked together, and private maritime security companies have provided protection and deterrent for ships, in equal measure.
All this has been done in a rather pragmatic and effective manner. The International Maritime Organization (IMO) has reacted swiftly and positively to try and ensure the safety and security of shipping, and it is to their credit that there has been progress. But it seems that things are set to take a change for the worse as there is increased pressure to bring the maritime security into a more land-based private military structure.

This is a serious concern, and such an approach could ultimately impede the ability of shipping to protect itself and react to the unique threats which it faces. Uppermost in this new development is the International Code of Conduct for Private Security Providers, the so called “ICoC” and its new association of signatories (ICoCA).

ICoCA rests on what is termed a “three pillar” approach, i.e governments, civil society and private security all working in tandem. This is leading to concerns that the distinctive demands of the maritime industry are not fully considered, nor the unique challenges of working within shipping recognised, as pressures to react to governments in the wider sense rather than flag States emerge.
Monthly News Roundup

MARITIME LABOUR CONVENTION AND SEAFARER NEWS

Anti-Trust
The European Commission has opened formal antitrust proceedings against several container liner shipping companies to investigate whether they engaged in concerted practices, in breach of EU antitrust rules. The news could be bad for the three largest European container shipping companies, Maersk Line, MSC and CMA CGM, who currently have an application for collaboration between them lodged before fair competition authorities in the EU, U.S. and China. The EU explains that since 2009, [certain] companies have been making regular public announcements of price increase intentions through press releases. [http://goo.gl/6T3Vcl](http://goo.gl/6T3Vcl)

Tickets Accepted
The European Commission has lifted a ban that prevented seafarers with Georgian certificates from working on EU vessels after recognizing Georgia’s efforts to comply with international standards on training and certification for seafarers. The move effectively allows seafarers with Georgian certificates again to work on EU vessels. In November 2010, the European Commission had withdrawn the recognition of Georgian certificates of seafarers. The Commission had found that the Georgian administration did not monitor effectively the maritime schools and there were problems with forged certificates. [http://goo.gl/OaarPf](http://goo.gl/OaarPf)

Bulker Arrest
A vessel owned by India’s Essar Shipping carrying iron ore bound for China was arrested in Singapore last month due to a dispute with a bunker fuel supplier. The 106,438-deadweight tonne vessel Kishore, on its way to China from Brazil, was arrested by the Supreme Court sheriff because of a dispute with Singapore-based Bunker House Petroleum. An Essar Shipping source said Kishore “should sail out” and was subsequently released. [http://goo.gl/KUZd0y](http://goo.gl/KUZd0y)
Maritime Focus
A packed audience from the maritime industry attended an event to hear Rose George, author of ‘Deep Sea and Foreign Going’ (Ninety per cent of everything in the USA), in conversation with Michael Grey, the distinguished maritime journalist and former editor of Lloyds List. Rose, who recently won the Mountbatten Maritime Award for best literary contribution, spoke about how she came to write about the maritime industry and her interest in seafarers and shipping. Rose was congratulated by Captain Kuba Szymanski of InterManager for highlighting the plight of seafarers. http://goo.gl/A8QFiJ

Exam Relaxation
Concerned over the plight of crew who had been held captive by Somali pirates, the Indian government has relaxed qualifying norms for them to appear in various nautical and engineering examinations. “The Director General of Shipping has considered inability of these crew members on compassionate grounds and has directed ... That these crew members are exempted from submitting qualifying sea-service document for the time period affected by hijacking,” the Shipping Ministry has said. The time spent under hijacking will be considered as sea service, up to 75% of the effective hijacked time may be considered as propelling time. http://goo.gl/ftjUbu

Fantasy Seafarer
A shipping executive lived the high life after embezzling more than £300,000 into the account of a “ghost” captain. Dad-of-one Oliver Heard, 33, splashed cash on a magnificent stately home wedding while plundering money from Liverpool firm Meridian Marine Management. The maritime manager even invited his colleagues and bosses to the lavish bash at Knowsley Hall – despite the shameless fraud. The company was wound down after the fraud claims surfaced. Crewing manager Heard was in charge of sourcing mariners for ships around the world on behalf of Meridian, a Duke Street based company of 15 years standing. http://goo.gl/3gzg0S

Italy Ratification
The Government of Italy has ratified the Maritime Labour Convention, 2006 (MLC, 2006). Italy is the 52nd ILO Member State, and the 20th Member State of the European Union, to ratify this Convention. As many as 1,650 ships representing more than 18 million gross tons are registered under the Italian flag. Italy is among the world’s top 20 countries in container liner trade and also among the top three EU countries in containerized imports and exports. The Italian Minister of Foreign Affairs, Ms Emma Bonino, stated: “Italy is happy to contribute to the improvement of working conditions onboard ships”. http://goo.gl/4jh7iH
**Long Stay**
The TMT vessel “Donald Duckling”, which has been detained on the Tyne amid serious health and safety concerns, could be set for an extended stay in the port. According to local reports, experts believe the vessel could be detained until at least Christmas. The 16-year-old Panama-registered cargo ship cannot leave until it has undergone urgent repairs, the Maritime and Coastguard Agency (MCA) said. The 18-strong crew, which are Romanian and Filipino, said they had been forced to fish off the side of the boat when food ran out. The Mission to Seafarers has visited the vessel to provide care, communication and food. [http://goo.gl/MY36MG](http://goo.gl/MY36MG)

**Sentence Slammed**
Intertanko has criticised the criminal disobedience conviction of Captain Apostolos Mangouras following the 2002 Prestige oil spill, despite his acquittal of criminal damage charges. After 11 years of deliberation since the incident, in which the Liberian-flagged tanker broke up and sank spilling approximately 50,000 tonnes of oil over 1,700km of Atlantic coastline, Mangouras and Chief Engineer Nikolaos Argyropolous were acquitted of criminal damage by Spanish courts. The association also drew attention to the two years Mangouras spent in detention, 85 days of which was spent in a high-security prison. [http://goo.gl/DzdI8a](http://goo.gl/DzdI8a)

**Beginning to Bite**
The new provisions of the Maritime Labour Convention 2006 (MLC) – the seafarers’ “bill of rights” – have been beginning to bite since they came into effect in August 2013. However, a recent case in the UK shows the need for close scrutiny of implementation of the convention: a port state control inspection of the Greek-owned, Marshall Islands-flagged George in Ellesmere Port, England found that, although it had MLC certification, it was in a “filthy” condition with 12 deficiencies. The ship was served with a prohibition order because of rotten food, out-of-date provisions and a cockroach infestation of the galley, as well as the crew accommodation. [http://goo.gl/2n94NC](http://goo.gl/2n94NC)

**Public Eye**
An academic study into media coverage of maritime events has shown that the mainstream press often ignores the press statements of companies or organizations involved. The media does not abide to the storylines developed by Press Offices but, on the contrary, frame news according to unspecified personal or professional judgements and according to their readers’ anticipation. Their general conclusion is that what makes headline news in the Maritime Press does not receive interest of the same magnitude in the General press. Journalists seem rather detached, if not indifferent, towards events that hinder the public image of shipping. [http://goo.gl/e8iN2q](http://goo.gl/e8iN2q)
Ship Arrest
Singapore’s admiralty sheriff recently arrested a Greek-owned panamax bulk carrier. The Cyprus-flagged 74,193-dwt Sea Urchin (built 2001) was detained by lawyers from local law firm Rajah & Tann. The exact details as to why the ship was arrested remain unclear, but it is likely to be related to outstanding payments for services. This was the second ship arrest in Singapore in as many days and followed the detention of Hosco’s 81,667-dwt Everglory (built 2012). http://goo.gl/ZyeHRV

Audit Confidence
One of the Philippines’ leading providers of seafarers has discussed the nation’s recent EU audit. The European Maritime Safety Agency’s (EMSA) second audit of Philippine training institutes and their STCW compliance took place in October, a crucial check up on the world’s top seafaring nation, which if it were to fail would see thousands of Filipinos barred from working on European flagged vessels. Doris Ho, president and CEO of Magsaysay, said the current Philippine president Benigno Aquino had made “definitive structural changes” as well as appointing Max Mejia as new boss of regulatory body, the Maritime Industry Authority (MARINA). http://goo.gl/Jn6hvz

MLC Campaign
The International Transport Workers’ Federation (ITF) has launched a new taskforce to protect the rights of African workers in the offshore sector to fight for more jobs for African nationals in the indigenous hydrocarbon industry. The ITF African Regional Offshore Oil and Gas Task Force Group (AROTFG) will campaign to secure national cabotage and continental shelf jurisdiction in the offshore oil and gas sector. It will also check any abuses by companies of African workers’ rights, particularly where they contravene the Maritime Labour Convention 2006 (MLC), and the seafarers’ bill of rights. http://goo.gl/st4u6u

P&I Rise
Despite a continued upward trend in the cost of claims and additional reinsurance costs, The Shipowners’ Club, P&I insurance provider to the smaller and specialist vessel sector, is to raise premiums by just 5% for the 2014/15 renewal. Announcing its half year (2013/14) financial results Shipowners, which minimized its premium rise at the last renewal to a market low of 5%, will keep next year’s increase to a similar small rise. In the P&I Club’s Half-year Report, Chief Executive Charles Hume stated, “We appreciate that any increase is unwelcome and we recognize that it is necessary to achieve a balance”. http://goo.gl/8nhZLG
PIRACY AND MARITIME SECURITY NEWS

IMO Focus
IMO Secretary-General Koji Sekimizu recently opened the 28th session of the Organization's highest governing body, the Assembly. The Secretary-General referred to his objective to eradicate piracy and reduce maritime casualties by half. “On piracy, while we saw good results of our concerted efforts in the Gulf of Aden and Indian Ocean off the coast of Somalia, we are concerned about the situation in the Gulf of Guinea. We should make further efforts in this field,” Mr. Sekimizu said. http://goo.gl/6iDuXi

Law in Effect
Japan’s new anti-piracy law has taken effect after it was enacted by the Diet, the nation’s parliament. The new law allows private armed guards to board Japanese-registered oil tankers and other cargo ships in waters off Somalia and elsewhere. Under the domestic firearms and swords control law, the new anti-piracy law will allow private guards armed with rifles to board Japanese-flag oil tankers and other cargo ships in piracy hot spots as a special exception to existing controls. http://goo.gl/OWJXPz

Pirate Warning
A criminal syndicate believed to be behind multi-million dollar heists of oil and gas cargo off Malaysia. Maritime authorities have issued warnings to commercial ships, especially oil and gas tankers plying the South China Sea and the Straits of Malacca. In view of hijackings in recent months, Malaysian Maritime Enforcement Agency has reason to believe that a syndicate was involved, based on the modus operandi of the pirates. The syndicate is believed to have taken almost half a day or more to siphon off oil and gas cargo, believed to be estimated at RM5 million, from two tankers recently. http://goo.gl/cYv2l4

Not Guilty
A jury in the US has found a Somali man who acted as a negotiator for pirates aboard a hijacked ship not guilty of piracy. Ali Mohamed Ali, 51, who would have faced a mandatory life sentence if convicted of piracy, smiled and embraced one of his lawyers after the verdict. He then removed his glasses and dabbed his eyes. Ali negotiated a ransom for Somali pirates during a 2008 pirate takeover of a Danish merchant ship in the Gulf of Aden. The key was whether Ali was an advocate for the pirates or just a translator. Prosecutors stressed, “You don’t ask for one cent for a human being”. http://goo.gl/W5Miij
**Soldier Ban**

The Joint Task Force in the Niger Delta code named Operation Pulo Shield, has announced a partial ban on the deployment of soldiers on escort duty for staff and cargoes of oil multinationals in the creeks of the region. According to the JTF, the partial ban would be lifted if the oil multinationals agreed to the use of gun boats on escort duty as a counter measure against the rising attacks on military personnel on escort duty by sea pirates in the region. The decision was apparently to “checkmate” the use of speed boats to convey military personnel on escort duty and reduce cases of loss of lives of JTF personnel. [http://goo.gl/cP2cJu](http://goo.gl/cP2cJu)

**Heavy Toll**

Danish security firm, Risk Intelligence, estimated last month that pirates in the Gulf of Guinea have looted 117,000 tons of oil products worth about $100 million since 2010. Kidnappings are also increasing. “Initially they were interested in holding the ships, stealing the cargo, taking this ship’s crew possessions and money and leaving,” Roy Paul, a director at Maritime Piracy Humanitarian Response Programme, told Bloomberg. “This year, we’ve seen an increase in taking hostages [for ransom].” Lessons need to be learned from Somalia, where ship owners and Western governments have fought off pirates with patrols and armed guards on board. [http://goo.gl/28xb40](http://goo.gl/28xb40)

**EU Exit**

The defence ministers of the European Union (EU) gave their support to extend the Atalanta mission to combat piracy in the Indian Ocean, but an exit strategy is being formulated. The twenty-eight Member States still have to make formal decisions in this regard “in the coming weeks,” the agency Europa Press reported. According to the president of the EU Military Committee, Patrick de Rousiers, at the meeting of the defense ministers there was a “general support for the idea of expanding” both missions in order to properly prepare the exit strategies. [http://goo.gl/tbTH0Y](http://goo.gl/tbTH0Y)

**ReCAAP Data**

A total of 16 incidents, comprising of 15 actual incidents and one attempted incident, were reported via ReCAAP in October 2013. Of the 16 incidents, two were piracy incidents and 14 were robberies against ships. The two piracy incidents occurred in the South China Sea involving product tanker, Danai 4 on 10 Oct and product tanker Danai 5 on 27 Oct. Danai 4 was boarded by pirates who too her away to offload the Marine Gas Oil (MGO) she was carrying. Details of the incident are shared as a case study in this report. In the case of Danai 5, the pirates failed to board the tanker when the crew noticed two speed boats approaching. [http://goo.gl/lymfgk](http://goo.gl/lymfgk)
Inventory Control
Piracy in Somalia is a business like any other, with the attendant problems: inventory management, human resources, legal. And, according to an analysis by the World Bank, it’s a business that could start heating up again after a brief hiatus. Even though pirates didn’t capture as many vessels in 2011 as they did in 2010, they made significantly more money. Having spent the last several years burning through inventory—even as ransom prices have risen to an average of $4 million—the pirate cartels could be poised for a comeback. According to experts, “the declining activity of pirates at sea may well be only a temporary break.” http://goo.gl/pXxM3t

Asian Concerns
Two tanker hijackings in the South China Sea and Malacca Strait have fuelled fears piracy could be on the rise in the area, potentially driving up ship insurance premiums. “Given previous incidents occurred in clusters this could be the start of a trend,” said Mark Pearce, director of marketing for international risk consultant Drum Cussac. A security source said it was unclear whether one or several gangs were responsible for the attacks. “It has to be the work of a syndicate,” said the source, citing the level of pre-planning and sophistication. http://goo.gl/5E8BTw

Tanker Hijack
Pirates last month hijackd a tanker off the Malaysian coast near Singapore, Asia’s biggest oil-trading hub, only a month after another hijack in the same area, according to the International Maritime Bureau. Ten pirates armed with guns and knives boarded a tanker about 7.3 nautical miles (13.5 kilometres) west of Malaysia’s Pulau Kukup in the Strait of Malacca. They forced the crew to transfer gasoil from the vessel to another ship, the IMB’s Piracy Reporting. The attack was about 34 miles west of Singapore. http://goo.gl/OkwVmD

Multiple Attacks
The HRA experienced 3 attacks in a week last month as a Torm product tanker escapes an attempted piracy attack off the east coast of Africa. The incident involving the 46,922-dwt Torm Kansas (built 2006), according to a statement from the Danish shipowner. The ship was in open sea at the time of the incident en route from Sikka in India to Mossel Bay in South Africa. Torm’s says the pirates approached the Danish-flagged vessel in a skiff and opened fire. The pirates are said to have carried on their attack and as a counter the guards on board the ship fired a number of warning shots. http://goo.gl/NyXMGT
Problem Area

Indonesia has experienced a more than 50% surge in pirate attacks in the first half of 2013. Of the 48 attacks reported, 43 involved pirates boarding vessels and assaulting the crew, the International Maritime Bureau announced. Shipping industry experts say piracy is moving back to its former heartland in the seas around Indonesia. Due to the large amount of Indonesian islands and coastal mangrove forests pirates have relatively good hiding places. As fuel becomes one of shipping’s biggest expenses, pirates are targeting valuable cargoes of highly saleable and easily transferred oil.

http://goo.gl/WpBNgW

Pirate Economy

The pirate economy is poorly understood. “Pirate Trails: Tracking the Illicit Financial Flows from Pirate Activities off the Horn of Africa” a new report from the World Bank, the UN and Interpol sheds new light. The authors interviewed current and former pirates, their financial backers, government officials, middlemen and others. They estimate that between $339m and $413m was paid in ransoms off the Somali coast between 2005 and 2012. The average haul was $2.7m. Ordinary pirates usually get $30,000-75,000 each, with a bonus of up to $10,000 for the first man to board a ship and for those bringing their own weapon or ladder.

http://goo.gl/URk68d