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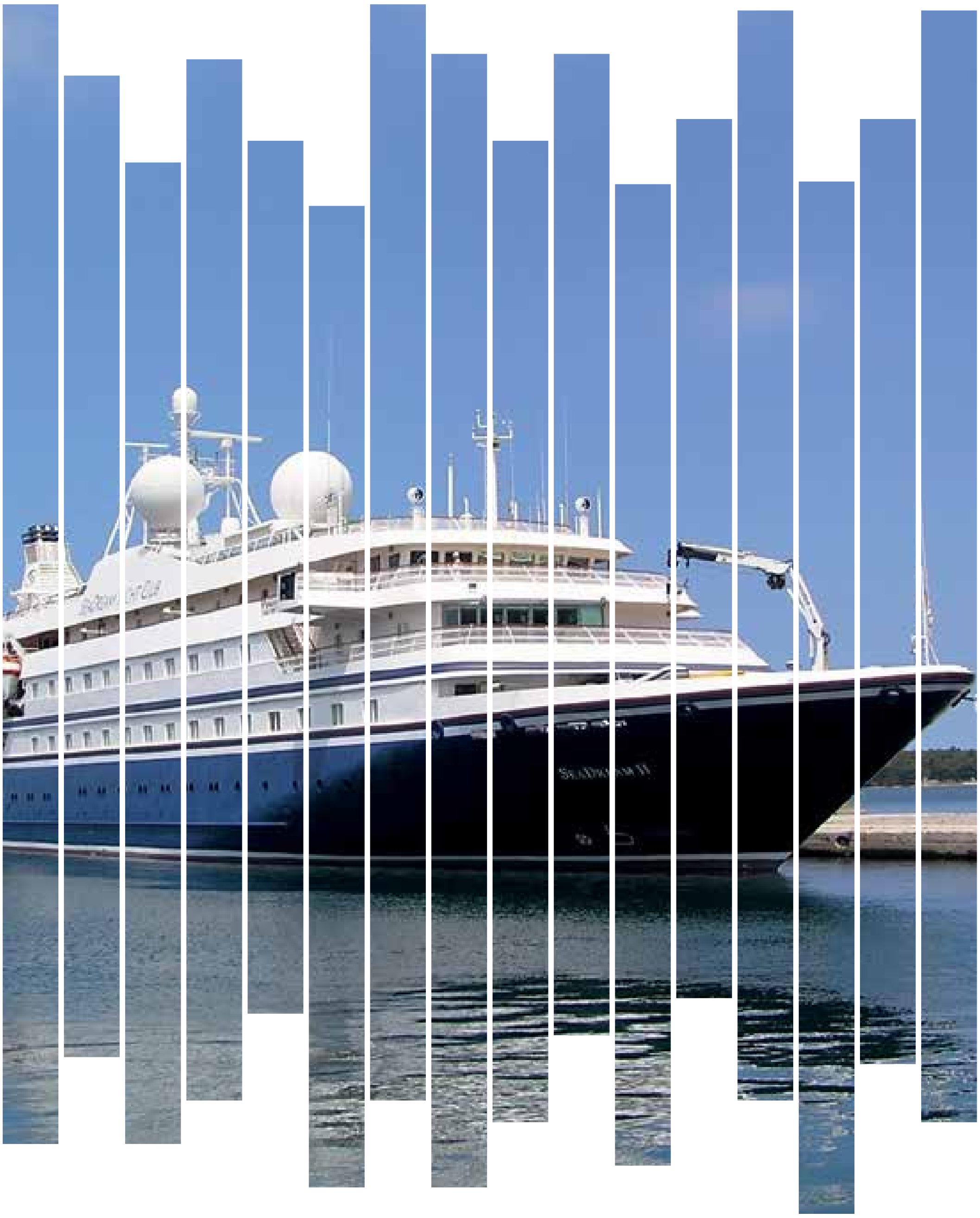

CALLS TO ADDRESS MLC RECRUITMENT

SEAFARER CLAIMS AND ISSUES | ACCIDENTAL MERRY-GO-ROUND | CYBER SHOCK IN SHIPPING

SEACURUS

In this edition we look at a diverse range of maritime and shipping issues, and take an in-depth focus on an issue Seacurus have been working on lately, the problem of Seafarer Recruitment registration.

  

In this issue..

Seacurus Bulletin is published monthly by Seacurus Ltd
– providers of MLC crew insurance solutions

www.seacurus.com
E: enquiries@seacurus.com
T: +44 191 4690859
F: +44 191 4067577

Registered Office: Suite 3, Level 3,
Baltic Place West, Baltic Place,
South Shore Road, Gateshead,
NE8 3BA, UK

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Welcome

Welcome once again to another issue of the Seacurus Monthly Bulletin – this time round we focus on a diverse range of maritime and shipping issues, and as ever we hope they are of interest and useful to you.

One of the key issues we at Seacurus have been working on lately is the problem of Seafarer Recruitment registration. In the face of so many failings and loopholes, we have called for more flag States to establish a process of mandatory registering all providers of Seafarer Recruitment and Placement Service (SPRS) in the yachting sector.

There are nations such as France and the UK taking a lead in making company registration compulsory for SRPSs in the yachting sector. Seafarer Recruitment and Placement service (SRPS) is any person, Company or other body engaged in the recruitment of seafarers on behalf of shipowners or the placement of seafarers with shipowners.

While the definition in MLC seems fairly unequivocal, it seems too many entities are slipping through the net, and the whole system needs a major overhaul and tidy up. We hope that the pressure can build to a positive outcome.

Elsewhere we look at the effect of the collapse of Hanjin Shipping, and examine just what the knock on effect means. There is perhaps never a good time for a company to declare bankrupt – but with so many vessels caught all around the globe, and with seafarers facing uncertainty – perhaps some times are better than others.

Inside we examine marine accidents, and the rather strange case of so many similar accidents and incidents repeating themselves, it seems that even when investigations are conducted, that the lessons just aren't getting through.

Perhaps we need a system of revalidation of tickets with a strong focus on recent accidents and incidents – so seafarers have no option but to learn and digest lessons.

It has been something of a bad month for shipping – obviously the high profile collapse of Hanjin, but so too the fact that a series of seafarer abandonments have piqued the interest of mainstream journalists. As the spotlight falls on shipping, will it mean more is done to protect seafarers? We can but hope.

Lastly we are back to the world of cyber maritime security – asking whether shipping companies and crews really understand what they are dealing with, and whether the internal management structures are failing to deal with this most serious of threats.

All the best

Capt. Thomas Brown
Managing Director

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CALL TO ADDRESS MLC RECRUITMENT

Seacurus has called for more flag states to establish a process of compulsory registration for all providers of Seafarer Recruitment and Placement Service (SPRS) in the yachting sector.

ISSUES EMERGING

The Maritime Labour Convention (MLC) has led to many improvements – but there are issues too… and occasional confusions emerge. One area that has been more prone to misunderstandings is the recruitment sector, and it seems clear that a strong lead is needed by flag States.

According to Thomas Brown, managing director of Seacurus, more countries need to follow the initiatives shown by the likes of the UK MCA and France, with the latter making company registration compulsory for SRPSs in the yachting sector.

The measures introduced by the French authorities, for example, provide positive clarification for all seafarers placed on board yachts by French yachting agencies.

They stipulate that any Yacht Crew Agency (YCA) which operates on French soil under any auspices, and which performs any role at all in introducing a seafarer to employment on a vessel, falls under the requirement to register on the list of yachting SRPSs established in France.

However, even then, there do appear to be some grey areas in the national regulations which are leading to confusion in the yachting sector. Which is something which needs clarifying and clearing up.

PROFESSIONAL STATEMENT

The Professional Yachting Association (PYA) recently issued a statement emphasising that there has been ongoing confusion about the status of Yacht Crew Agencies (YCAs) under the Maritime Labour Convention 2006 (MLC), which came into effect in August 2013.

PYA says the causes of the confusion have been differences between flag states in interpreting the terms 'recruitment and placement', differences between flag states in integrating MLC with pre-existing legislation regarding employment services, and inconsistency among YCAs themselves when operating in the territories of different flag states, especially where one such territory may be a non-ratifying state.

According to PYA, YCAs operating in France need only to guarantee the verification process of the appropriate certification for any position offered on board. They do not need to include any provision for unpaid salaries.

REQUIRING REGISTRATION

The French government has established a process of compulsory registration for all yachting SPRSs conducting their business from a French territory.

We can only assume that the registration process takes a robust view of the financial wherewithal of the applicant agency, and that the government inspector responsible for the approval of the application would have to be satisfied that the said agency was of sufficient financial standing to assume the liability for any personal financial losses incurred by seafarers they place on board yachts, in accordance with MLC Regulation 1.4 covering Recruitment and Placement.

But it is important to note that some YCAs may find it difficult to provide confirmation of the financial standing needed to satisfy the authorities.

NO COMPULSION

Meanwhile, there would appear to be no compulsory requirement for French yachting agencies to demonstrate that they have a system of protection, by way of insurance or equivalent appropriate measure in place as envisaged by MLC Standard A.1.4.5(c) (vi).

Compliance with this regulation would seem to be achieved by agencies demonstrating to an inspector that they are on the new French registry.

So while the French authorities are to be congratulated for introducing a degree of certainty into their regulation of YCAs and their MLC responsibilities, the fact remains that liability under MLC Standard A.1.4.5(c) (vi) does not disappear simply because the SRPS has satisfied the French regulations.

The SRPS still has an exposure to indemnify its seafarers' financial losses in accordance with the MLC standard, and this is where appropriate insurance cover is invaluable.

COVER IS AVAILABLE

Such cover is available to SRPSs operating in domiciles where it is required by the relevant regulatory body. It is also available to agencies in countries such as France that would like to take out the cover voluntarily.

This is as either a balance-sheet protection in the event that they have to respond in the event of a yacht owner's contractual default giving rise to a personal financial loss for a seafarer they have placed at sea, or if needed to enhance the company's credit rating when applying to become a registered company.

"It was clear from the second meeting of the ILO Special Tripartite Committee meeting held in Geneva in February this year that many flag states are having difficulty in interpreting the requirements placed upon them in respect of MLC Standard A.1.4.5(c) (vi).

It is time for greater clarity of the kind shown by the UK and France, but also for greater awareness of the value of MLC insurance coverage which responds in the event of a yacht owners' contractual default."

THE BUMP HEARD AROUND THE WORLD

The news of late has been dominated, understandably, by the financial crash-landing suffered by Hanjin Shipping. With vessels stuck in port, or at sea – what is going to happen and how will the mess be cleaned up?

FALLOUT OF FAILURE

The bigger they are, the harder they fall. As true in finance as it is in fighting. So it has been that the collapse of Hanjin Shipping has made headlines the world over. It seems the full scale of the problems are only just emerging.

When the company elected to file for court receivership it became the largest container line bankruptcy in history – six times larger than the collapse of United States Lines three decades ago, the previous record holder.

The long-term fallout from Hanjin Shipping's insolvency will have far-reaching effects, but the impact is already being felt in ports around the world. Hanjin is a very big player indeed, and there are many parts of the shipping industry and supply chain which will feel the pain.

As to the sheer size of the organisation, and the potential knock on effect - Hanjin operates 98 container ships totalling 600,000 TEU, 11 port terminals and 74 sea routes, in addition to bulker operations.

THROWING A LIFELINE

So as the worldwide furore surrounding the bankruptcy continues, it seems the parent company has been compelled to throw its ailing shipping arm a small lifeline – this in the form of US$90.6m payment as it seeks to unload its stranded vessels at the ports in Asia and Europe.

The South Korean line's parent Hanjin Group will provide 60%, while Chairman Cho Yang-ho will provide the other 40%. While 90 million dollars sounds a fair sum, it actually falls far short of what is even required to keep Hanjin Shipping operations running day-to-day.

Which perhaps hints at the sheer scale of the problems facing the line. With the company having tens of millions of dollars in unpaid obligations such as charter hire at the end of August, the mess is not going to be sorted in a piecemeal, small scale fashion.

The company hopes that such payments at least will give it a chance to regroup and find a way forward. The $90 million could cover the costs of unloading cargo from vessels currently stranded around the world, and that would at least be a start. Mind you, it has been reported that cargo owners and freight forwarders are being forced to pay a deposit to release their loaded Hanjin containers being held at Chinese ports – fees of US$4500 have been reported by lawyers from Shanghai.

UNSURPRISING RESPONSE

Not surprisingly terminal operators and other port service providers such as tug boat operators have been unwilling to provide services to Hanjin for fear of never getting paid, after the shipping filed for court receivership on 31 August.

A wholly reasonable response by those who are already likely to face financial fallout in the face of the meltdown. The pattern does not look positive, as around 10 vessels operated by Hanjin Shipping have been effectively "seized" at China ports by charterers, port authorities and others.

Some of the ships were not being allowed to leave Chinese ports, while others, which are currently at sea nearby, were expected to be seized. There is now seemingly some form of a plan in place, and the company is having to act – as indeed is the Korean government.

Korean Deputy Finance Minister Choi Sang Mok has said that Hanjin is looking to dock its stranded vessels in the ports of Singapore, Busan and Hamburg. Ports where the company sees it as least likely for the vessels to run into legal difficulties with bankruptcy protection orders recognised.

KNOCK ON EFFECT

As shipping scrambles to clear up the mess, Hyundai Merchant Marine is set to deploy 13 or more of its ships to Hanjin Shipping's two exclusive routes - offering a "reasonable" shipping rate to ease the burden of increases in freight costs for South Korean firms.

These moves would enable hundreds of thousands of containers full of goods to be offloaded and transferred to other vessels to reach their final destinations.

However, the panic is beginning to spread as so much cargo is now trapped onboard Hanjin vessels. As the downward spiral continues – this becomes not just about the ships effectively "seized" – but also those that have been left in limbo. There are reports of its ships stranded outside ports in Southern California, and at least four ships were affected at the ports of Long Beach and Los Angeles.

This is a contagion which some believe could affect Christmas. The Hanjin problem has even begun to snarl the entire supply chain, from retailers waiting for goods to exporters trying to get shipments to Asia. This is a supply chain infection which will have massive ramifications.

LEFT IN THE LURCH

Some owners and suppliers have really been left in the lurch by the bankruptcy. Indeed, owners with vessels on hire to Hanjin have been hit extremely hard, and there are more tales emerging of the financial woes.

Greek owner the Danaos Corporation said it was "disappointed" about the demise of Hanjin Shipping. This is perhaps something of an understatement – as the company has eight containerships on charter.

The owner said the eight vessels' timecharter contracts represent approximately $560m or around 20% of its $2.8bn contracted revenue backlog as of June 30, 2016. A major hit indeed.

Research by Deutsche Bank, revealed Danaos is the shipowner with the greatest exposure to Hanjin. The frustration was not solely laid at the Hanjin door, Danaos also felt let down in other ways. The company recently said, "We are disappointed that the Korean Development Bank has failed to support an important participant in the global containership business".

WIDER BOX LOSSES

The problems are not solely Hanjin's, as the entire container market seems to be in a nosedive. Lars Jensen, CEO of SeaIntelligence Consulting, has warned the accelerating losses seen in the container sector in the second quarter could lead to mega losses for the world's container lines.

Jensen recently noted that with 13 of the top 20 container lines having issued their interim results, net losses stood at $2.5bn, a figure he anticipated would stand at $4bn once all companies have reported their figures for the first six months.

Results have markedly worsened from Q1 to Q2 2016, hence if the market conditions do not change materially, the industry might be facing combined losses of as much as $8bn to $20bn for full year 2016.

Echoing these figures were the recent results from China Cosco Holdings. The company has been hit by a first half loss of $1.08bn arising mainly from a hit on the disposal of subsidiaries, as well as the overall weak container shipping market. The loss in the six-month period ended 30 June 2016 compared to a healthy profit in the previous corresponding period. Worrying times seem to be ahead.

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ACCIDENTAL MERRY-GO ROUND

According to Albert Einstein, the definition of insanity is doing the same thing over and over again and expecting different results. This also seemed to apply to maritime safety – people making the same mistakes over again, and being shocked when things go wrong.

ON REPEAT

Reading recent US and UK safety digests, maritime commentator Michael Grey recently wrote of his surprise and disappointment regarding the repetitive nature of so many marine accidents.

He questioned whether we know enough about the real causes of accidents, given the same mistakes seem to keep happening time and again. Are we simply reporting what happens, rather than really getting to the heart of the problems and breaking the cycle of mistakes?

Accident investigators are increasingly sophisticated and skilled – but is this a case that we are collectively ignoring or overlooking the real lessons and is there enough compulsion to learn and apply them?

Time and time again vessels come to grief because of inadequate voyage planning, or there is poor communications or the onset of fatigue. Which means seafarers are failing, and the failures are proving deadly and costly.

FAILURES ONBOARD

With so many accidents, what seems to be apparent is that crews are collectively unable to do the basics. The repetitive cycle seems to show that seafarers are not following written procedures, or they are ignorant of stability or they are overlooking the basics of watertight integrity. They are blasé about collision regulations, and all too laissez faire about fires.

In short, there are mistakes being made – it becomes a question of understanding why, and of doing something about it. Are these failures of training or knowledge?

Lots of fuss is made about the human element, but are we seeing the weaknesses and frailties of human nature? Gray, in sifting through the annals of accidents, has written of the clarity which comes as the data stacks up. All of a sudden you become aware of so many cases when engines do not respond when a ship is manoeuvring.

Something that invariably happens at the most embarrassing moments, Murphy's Law being what it is. So with the ship half-way down the Suez Canal or rounding the bends in the Bosporus, or approaching a huge and expensive coal loader rather too fast. This is when the gremlins kick in, and unsuspecting crews are made to look very foolish indeed.

ASKING QUESTIONS

Are these machinery mishaps because there is so much chopping and changing of fuel systems? Or are steering gear failures down to insufficiently practiced helmsmen? Is technology hindering seamanship? These are questions that need to be answered.

With so many of these "Universal" incidents, in which the same old causes deliver the same old devastating results, then there is urgent action needed to do something about the proliferation of incidences.

Too many of the same things are going wrong too often. That is the cold hard truth –and while proper investigations are usually conducted, is there enough global collation going on, and is there wide enough promulgation.

Do seafarers understand what has gone wrong on other ships, and are they training to avoid problems.

We rely on professionalism, we do not demand it. There are 1.5 million seafarers in the world, but only around 25,000 of those belong to the leading professional bodies. That is a very poor percentage who have access to materials, or who are investing in their own development.

DEMANDING INTELLIGENCE

Voyage Data Recorders (VDR) help to provide data – but without a real understanding of the whys and ways that accidents development, then that is simply information rather than intelligence.

There is a fundamental difference between the two, and it doesn't appear that the difference is particularly well understood. Data and information do not provide context – they are facts, and while the old saying is that they speak for themselves, it is clear that they don't.

We need to derive intelligence, which allows us to make decisions. Accidents will be avoided by developing the means to extract information, but by turning that into intelligence. Which in turn allows better decision making and actions.

If seafarers are being trained to do the right thing – understanding the data/information…the facts of accidents, but with a critical eye on where things have gone wrong, then risks will be better understood.

NEW RISKS

There is increasing emphasis from regulators on addressing uncertainty in risk assessments to improve safety. Classification Society DNV GL has thrown itself eagerly into this arena.

They recently published a paper, "Enabling confidence – addressing uncertainty in risk assessments. Which describes an improved risk management approach to achieve adequate safety levels whilst keeping costs under control.

The holy grail of shipping safety – do more, with less cost. But can this new approach really deliver? According to Marianne Hauso, Head of Section, Safety Risk Management, DNV GL – Oil & Gas, "The way we conduct risk assessments must be adapted to the needs of decision makers and the challenges they face at any given time".

Hauso goes on to add, "uncertainty is an instrumental part of risk…assessing and communicating the impact of uncertainty can help clients tackle safety-critical decisions with more confidence".

FULLER FIGURES

The DNV GL approach is about providing what they term a "fuller risk picture", as they tackle the overall challenge of understanding, interpreting and disseminating risk results.

Which brings us back to the problem of making sure seafarers understand not only the problems, but the solutions they can and should be delivering. Decision-making needs to be improved, and it needs to be based on the mistakes which have gone before. The new approach to risk management is about an ongoing feel for what is happening and of what can happen. Which sounds good – but that needs to be understood, and acted upon.

Risk management is a grand sounding concept – but we've had it for a long time, and still the accidents happen. So are we really managing the risks properly, effectively and with intelligence? The Insanity of so many repeated mistakes will find us all out over time.

As the depression in shipping continues into 2016, the quality of the global fleet is likely to come under pressure, and Skuld P&I Club has warned that shipowners, "may struggle to keep standards at the level they prefer". So the need to act on accidents is even more pressing.

ADDRESSING SEAFARER CLAIMS AND ISSUES

The Guardian newspaper is often the bellwether of various causes – and so with a spate of vessel detentions and abandonments around the UK, it should be no shock that they have recently had shipping in their sights.

TOUGH QUESTIONS

The detention of the offshore vessel "Malaviya Twenty" in Great Yarmouth docks is one which has suddenly awoken mainstream journalists to the stories which exist hidden behind their usual sea blindness. Doubly so as her sister vessel, "Malaviya Seven" was similarly holed up in Aberdeen.

The Guardian articles initially focused on the immediate human angle – that of the crew waiting desperately for their wages. But digging deeper, the harder questions about the wider industry emerged. Not just of how these 12 Indians happened to be without pay, but why they were in the UK at all.

According to Polly Toynbee, this incident reveals much about British shipping and the fate of seafarers. That an Indian supply ship would be sailing between the British coast and UK offshore oil rigs and wind farms, has begun to ring alarm bells of exploitation and cheap labour.

The shipping industry, the article runs, is a prime example of what "an unfettered free market does to a workforce, of globalisation at its reddest in tooth and claw". All very true – and of course the focus on flying "flags of convenience" is one which is all too easy to peg to low-pay, low-regulation countries. Whatever the truth about high quality open registers, the perception is still not always a good one.

A WORRYING TREND

The whole system of seafarer manning is in the eyes of The Guardian a "crude, obvious labour-market abuse by employers substituting cheaper foreign staff". The criticism is that where one company does it and undercuts the rest, then all must follow suit in bidding for contracts.

While in such a finely and dreadfully balanced business – all racing to the bottom, then it seems that not only are low wages the norm, there is also an ever increasingly likelihood of companies not being able or willing to pay at all.

In the same month that the Malaviya vessels caused the spotlight to fall on them, there were many other crews on many other vessels who were facing the same problems, and despite the MLC the problem just does not go away.

The unfettered free market seems crews seduced off to sea, but on too many occasions they know too little about who they are working for, or they get unlucky and circumstances cut them financially adrift.

REPEAT OFFENDERS

In the past month alone there have been a number of high profile cases of seafarer abandonment. According to Splash24/7, "not for the first time India's Varun Shipping has been shamed by its failure to look after its crew".

This followed reports by Reuters that the crew on the tanker "Amba Bhakti" were stranded off Shanghai, and had not been paid since February. The crew from India and Bangladesh owed tens of thousands of dollars, as the ship has been moored off Shanghai for the past three years and its engines are now in urgent need of repair.

The press articles stress that "struggling" Varun has history when it comes to crew neglect. However, even as news of the woes of their workers was hitting the headlines, news was breaking that the company was being linked with a major ship purchase.

Despite being allegedly unable to pay its crew, it has been claimed in the press that that the company had come in for a gas carrier being sold for $40.5m. That is a lot of wages right there, and it would perhaps be troubling to many to see the right hand of a company seemingly ignoring what the left does or does not do.

ROLL CALL OF SHAME

It doesn't stop there – just last month Kaohsiung-headquartered Jumbo Sino Development of Taiwan became another owner to be publically shamed for abandoning its crews amid the protracted downturn. According to press reports 19 crewmembers were left. The crew, a mix of Chinese and Burmese nationals were working on the chemical tankers "Shun Da" and "Yong Win 18" when they were effectively abandoned at a ship repair yard in northern Vietnam. The crew were left with up to nine months of pay missing while the Vietnamese authorities worked to repatriate the crews.

While in Australia, the vessel "Five Stars Fujian" was arrested and then detained by Australian authorities for more than a month. The Australian Maritime Safety Authority (AMSA) detained the ship on August 12 for not paying its crew wages for 12 months, and having inadequate food for its voyage. She sat laden with $40 million worth of Australian coal bound for China before wages were paid. Which just seems plain bad business.

It seems while the mechanism in MLC are still bedding in, that the moral and reputational tide is turning. It is becoming harder for owners to cut and run without attracting bad publicity, and the reputational damage can be bad for business.

BLACKLISTING BEGINS

They have often been calls for more robust action on this issue. Though all too often seafarers can endure months or even years of misery, and it is simply forgotten. Thankfully some nations are taking a stand, and Bahrain has stepped up.

The island nation has blacklisted Dubai-based shipping company Sea Links Shipping after it abandoned the general cargo vessel, "Sea Lord", and 11 crew for almost six months without paying wages, according to the Bahrain Ports and Maritime Authority.

The Sea Lord was left three nautical miles off Khalifa Bin Salman Port. It suffered a power outage that made living conditions onboard horrendous. Abdulla Hassan, the ship's captain, said the experience was like "living in a burning furnace."

Recently, Reverend Ken Peters from the Mission to Seafarers blasted the rise in the incidents of abandonment as "an indictment on those substandard operators who bring the rest of the shipping industry into disrepute".

HUMAN TRAGEDY

Ken Peters went further and called abandonment a "human tragedy", rightly stating that the lack of food, water and fuel makes a 'dead ship' a health hazard and unfit for human habitation. Yet seafarers are caught as the victims, often of financial mismanagement and not of their own making.

It is vitally important that the issue is addressed – and part of this is to raise the real face of the seafarers who suffer abandonment, to document and appreciate just how the hardship affects people.

So we were pleased to see seafarers being celebrated for their stoicism and ability to cope and survive. The Lloyd's List Middle East and Indian Subcontinent Awards recently named Filipino seafarer Zaude Paolo Bandivas as "Seafarer of the Year" after spending two and half years abandoned in port.

Without seafarers bravely, tirelessly and skilfully making shipping work, then the world as we know it would grind to a halt. Sadly it all too often seems to escape the attention of the wider populace. Sometimes it is not words which show how seafarers are seen or perceived, but actions. We hope the MLC and the security it can provide will finally help and protect innocent seafarers.

CYBER SHOCK IN SHIPPING

The threats posed by maritime cyber security incidents are increasing, and the shipping industry is taking action to mitigate the risks while minimising the impact. But it seems clear that no one is really sure of the best approach. So what can be done?

TAKING STOCK

The growing reliance on information and communications technology (ICT) is everywhere. In our everyday lives, work and business, technology is key. As the maritime and offshore industries become more technologically advance, then they are in the frontline too.

Ships are at risk - whether we are talking onboard computers and the internet, dynamic positioning systems, position referencing, navigation, all come with vulnerabilities that can be exploited by cyber criminals intent on causing operational disruption, financial loss or reputational damage.

In a recent study, it has emerged that maritime executives and managers are not responding well to the threat. There is a completely confused and mixed up response. According to maritime security expert Jordan Wylie who conducted the research, all too often shipping company personnel do not see cyber as security or safety issues.

For them, the cyber threats sit firmly within the company IT departments. Which is incredible and incredibly concerning. The people who understand ships and crews, are simply sloping their shoulders and passing the buck to people who understand the tech, but wouldn't know the sharp end from the blunt bit.

MANAGEMENT ISSUES

It seems that maritime staff and managers ashore need to take responsibility sooner rather than later. More than 80 percent of identified cyber security and information security breaches and related incidents offshore are the direct result of human error.

So this is a management issue – which implies leadership and guidance. Seafarers need support on understanding the issues and their role in safeguarding their vessels. The call is therefore to start by getting the basics right before investing in expensive technical mitigation measures. Until crews really understand what can happen, then it will be unlikely that any IT department led measures will work.

Seafarers and the marine department often have enough problems making themselves understood to each other – the idea that a company's IT staff could appreciate and empathise with the challenges at sea seems unlikely. So we need awareness, education and solutions which are pragmatic and make sense.

In another recent study over 70% of ship owners, operators and managers believe that it would be helpful to have shared input/operational responsibility between on-board crew and shore-based personnel at all times. So his is an ideal opportunity to embrace the necessary change.

COMPLACENCY CREEPS

Cyber complacency is creeping in, and it is a huge concern. However, people don't just become or start complacent. This is down to a lack of awareness and training, and maritime operators need to do more to ensure they are protected and ready to respond when the worst happens.

Classification societies are unsurprisingly pushing themselves to the fore – and while there guidance notes, recommended practices etc are all well and good, are they robust enough when weak management processes are spotted.

Is Class raising the issue with safety management systems when it is clear that IT managers in companies do not understand vessels or seafarers sufficiently well? Or are they acting when marine managers clearly do not understand technology?

There needs to be a carrot and stick approach – companies need to be encouraged and assisted to do the right thing, but they need to do so in an environment in which there are sanctions for failure. At the moment the risk of attack or cyber failures are not enough to compel action – so there needs to be a regime which does provide such forced "encouragement".

RECOMMENDED PRACTICES

DNV GL has published a Recommended Practice (RP) on "Cyber Security Resilience Management" to help the industry address potential cyber hazards. Developed in cooperation with customers, the RP provides guidance on risk assessment, general improvements to cyber security, and the verification of security improvements and management systems.

The RP covers some of the most common threats to maritime assets, such as vulnerabilities in the electronic chart display and information system (ECDIS), the manipulation of AIS tracking data, as well as jamming and spoofing of GPS and other satellite-based tracking systems.

To help the industry prepare for achieving compliance to internationally recognised standards, the RP provides guidance on how to apply ISO/IEC-27001 and ISA-99/IEC-62443 standards. ISA-99/IEC 62443 is standard for security of, "industrial control systems in the operational technology (OT) domain of organisations".

Certification to the ISO/IEC-27001 standard demonstrates that a company has a "process-driven approach for establishing, implementing, operating, monitoring, reviewing, maintaining, and improving their information security management system". Which seems to finally be the move to force a re-jigging of current maritime management structures – the mariners need to know the IT, and the IT department need to understand seafarers and ships.

THE GREAT UNKNOWN

Some 43% of seafarers in a recent survey said they had been on a vessel which had its systems affected by a virus. Many believed the viruses had been unwittingly introduced by the crew themselves. It seems incredible, but Seafarers are not routinely trained in cyber security. Indeed 88% in the same survey claimed they were not aware of how to manage cyber issues onboard.

So training is a key part of securing ships. It is vital to ensure that all onboard understand and are able to embark on a simple 'cyber-hygiene' routine. Even the most basic actions can help to make sure the more obvious vulnerabilities are dealt with and addressed.

Seafarers have very different roles onboard, and some have to deal directly with technology more than others. However, maritime cyber security can be threatened unwittingly and unknowingly if people are not operating with a view to their own cyber hygiene, and the actions taken by others onboard.

It is important to develop cyber sense, the right measures can be introduced and applied fairly easily, by being sensible, aware and thinking about what can go wrong, then cyber security measures can be introduced at sea. But if things are ignored or made too complicated, then the cyber threats will be swept under the carpet…until the worst happens.

MONTHLY NEWS ROUND-UP

SOME OF THE OTHER STORIES WHICH HAVE CAUGHT OUR EYE THIS PAST MONTH.

Greeks Not Looking to Sea: Much has been made of Greek shipping's potential to be a magic sponge for some of the country's youth unemployment pain. Unemployment is still rampant at 25% and the rate of unemployment among young people more than double that. But EY finds that shipping and youth are not sufficiently on the same wavelength. Of 1,000 respondents aged 16-30, only a tiny fraction had shipping on their radar as a possible career; only 19% seemed to think it was worth considering because of the jobs crisis; less than one quarter believed that shipping was open as a potential employer to people like them. http://goo.gl/2abhYq

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Instilling Trust in Shipping: Most shipping companies try to tightly control all communications and to restrict all social media use, but if you're interested in protecting your company's reputation then this might be exactly the wrong thing to do. Since 2001 Edelman has been compiling an annual Trust Barometer to track the level of reported trust in official information sources. Most people don't trust official sources of information, and people do trust – employees. When it comes to issues of crisis handling, environmental practices, safety standards and even financial earnings, people trust employees more than senior executives - so perhaps they need to be heard. http://goo.gl/dk7bOE

Chinese Going Green: Beijing is clamping down further on ship emissions in rulings that could change the shipping industry forever. The Chinese government has come under pressure to act over the dire state of the environment and has already taken sweeping measures against many industries, including shipping with the creation of the nation's first ECAs. It is now going a step further, issuing its first ever set of national standards to curb harmful emissions from the shipping industry. In the first stage of the new standards, the shipping industry is required to cut emissions of PM10 and PM2.5 by about 70% from the levels in 2016. http://goo.gl/fVYS1P

Closing its Open Register: The days of cocaine smuggling, illegal fishing and human trafficking using ships bearing the Cambodian flag appear to have come to an end as government officials claim that, as of today, all foreign-owned ships operating through Cambodia's "flag of convenience" scheme must be stripped of their designation, and the world's ports should no longer grant them access. Following a 2015 decision to close down the business loophole, which allows foreign-owned merchant ships to avoid restrictions and financial charges in their home countries, foreign-owned ships will no longer be allowed to fly the Cambodian flag. http://goo.gl/fjo114

Iran Comes in from Cold: The Islamic Republic of Iran Shipping Lines (IRISL) and Norway's Skuld P&I marine insurance company have signed a memorandum of understanding (MOU) relating to shipping insurance, Iranian news agencies have reported. Based on the MOU, the Norwegian company will provide IRISL with various kinds of maritime insurance covers and handle customer enquiries and complaints relating to these insurance services. Skuld will also cooperate with IRISL on staff training and upgrading knowledge and capabilities of the Iranian insurance specialists. http://goo.gl/PJVzfa

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Tankers Facing Insurance Hike: Tankers moving through the Gulf of Guinea in West Africa are paying additional insurance premiums compared with relatively safer sea lanes due to escalation of piracy incidents and sea robberies in the region, and there will be serious concerns if these criminal activities become enmeshed with political disputes, a senior industry official said Tuesday. Additional premiums have to be paid by shipowners if their ships move through, load or discharge cargoes from this region, Intertanko's London-based Marine Director, Phillip Belcher, said on the sidelines of the International 'Safety at Sea' conference in Singapore. http://goo.gl/j8Xefp

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Insurance Revolution or Evolution: Charles Darwin said that a man who dares to waste one hour of time has not discovered the value of life. However, if you run a business that requires insurance it will not be a waste of your time to make yourself aware of the Insurance Act 2015 which came into force this month. The Insurance Act came into force on 12th August 2016 and is arguably the single most important piece of insurance legislation in the past 100 years. It is intended to create a fairer balance between policyholders and insurers. If you buy insurance to protect your business, you need to understand the changes in law. http://goo.gl/VmXRbn

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Cruise Ship Destroys Marina: On departure from its berth in Messina, Sicily on Sunday, the Carnival Vista – Carnival Cruise Line's newest ship – destroyed a concrete boat pier with prop wash from its thrusters, sinking several small craft. Video shows the "Marina del Nettuno" pier swamped, overturned and finally torn free by the wave of water from the Vista's props as she passed close aboard. The imagery also shows calm, clear weather conditions. Italian media report that the port authority has opened an investigation into the incident. It is the only cruise ship with a full IMAX movie theatre and an aerial cycling track, which sounds nice. http://goo.gl/2wD8wY

UK Register Chief Quits: Simon Barham has quit as director of the UK Ship Register after just a few months in the newly created role. His appointment had followed criticism of the way the register was being run and calls for a more commercial approach. An email sent to UK shipping industry leaders cites personal reasons for Mr Barham's departure, which represents a setback for the country's ambitions to expand the flag. He left several weeks ago, with the search now on for a replacement. The salary on offer is up to £90,000 ($118,822). Barham is understood to have been frustrated by civil service constraints at the MCA. http://goo.gl/HN0px8

Spike in Nigeria Attacks: There has been a rise in attacks off the coast of Nigeria, with pirates increasingly looking to kidnap crew members and hold them to ransom. The most serious problems are now off the west coast of Africa, where Nigerian gangs have adopted "a new trend which is quite disturbing", said Mr Mukundan. According to the IMB, Theses gangs now tend to board vessels such as bulk carriers up to 120 nautical miles offshore, kidnap some of the crew and take them ashore to be held for ransom. Nigerian pirates kidnapped 24 crew members in the first half of this year, up from just 10 in the first six months of 2015. http://goo.gl/XO7FLK

Nigerians Claim Crew Collusion: The Nigerian Navy said in thwarting a pirate attack on the "Vectis Osprey" off of Bonny Terminal that an investigation would focus on her crew, citing a "trend of involvement of crew members in attacks on their own vessels." A spokesperson implied that the attack may have been carried out with the cooperation of crewmembers. "Investigation has also commenced . . .Additionally, ship owners are hereby advised to profile their crew before embarking them onboard to avoid situations in which some disgruntled crew members stage-manage attacks on their own vessels." http://goo.gl/Oebe7c

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New Slew of Inspections: Port state authorities have announced the following CICs, lasting three months from 1 September to 30 November 2016: Paris MoU is aimed at verifying compliance with relevant parts of the Maritime Labour Convention, 2006 (MLC). Tokyo, Black Sea, Indian Ocean and Viña del Mar MoUs are aimed at verifying compliance with the relevant parts of SOLAS. The Caribbean MoU focusses on crew familiarisation for entry into enclosed spaces, while Riyadh MoU focusses on pilot transfer arrangements. http://goo.gl/5Fca5l

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Enclosed Space Entry Campaign: The Caribbean MOU (member countries: Antigua & Barbuda, Barbados, Dominica, Grenada, Guyana, Jamaica, the Netherlands Antilles, Suriname and Trinidad & Tobago) has announced (here) it will be launching a CIC on crew familiarisation for enclosed space entry, to run from 1st September to 30th November 2016. If a deficiency is found, actions by the port state may vary from recording a deficiency and instructing the master to rectify it within a certain period to detention of the ship until the deficiency has been rectified. Any detention will be published in the monthly detention lists of the Caribbean MOU. http://goo.gl/NRBcfD

New Bunker Group Emerges: The Singapore bunker industry has a new group, the Association of Bunker Industry (Singapore) to address the needs of the industry, ABIS said Tuesday. ABIS said it will work with members — mostly, but not limited to, small and medium-sized bunker companies — to improve the quality of their business services. One of its more pressing tasks is training courses for mass flow meter (MFM) bunkering which becomes mandatory in January and, later, training for liquefied natural gas bunkering, ABIS said. It has formed a focus group to review members' existing bunker surveying processes. http://goo.gl/A4PruY

Maersk Set to Split: Danish newspaper Berlingske Business is reporting a restructuring of the Maersk Group. Not due to be unveiled until the end of September, Berlingske Business is claiming Maersk will be split into two distinct units, one focusing on transport and the other on energy. The new strategy is still at a conceptual level. But it looks as if it will come out at the end of September and a transport company and an energy company will be created. The makeup of the energy unit will include Maersk Oil, Maersk Drilling and Maersk Supply Services while the transport unit will include Maersk Line, Damco, APM Terminals, Svitzer and Maersk Tankers. http://goo.gl/ciZ7Gc

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Jostling for Flag Supremacy: The Marshall Islands ship registry (RMI Registry) is confident it can overhaul Liberia this year to become the second largest flag in the world after Panama. The flag, administered by Virginia-headquartered International Registries, Inc (IRI), celebrated becoming the largest flag in Greece in November. For IRI, surpassing Liberia is a particularly sweet moment: the company quit managing the Liberian flag in 2000, moving to operate the Marshall Islands. Commented Bill Gallagher, president of IRI, "If growth patterns remain the same, it is anticipated that the RMI Registry will move from the third to the second largest worldwide." http://goo.gl/VuyQ2j

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