# SEACURUS BULLETIN

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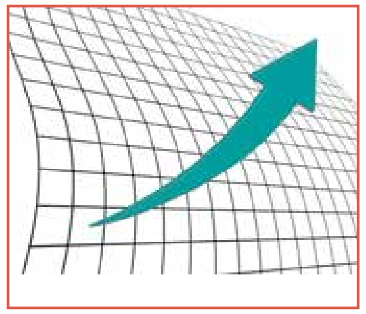
## INDUSTRY UNCLEAR ON ABANDONMENT

LOOKING AT UNDERWRITING RESULTS | RIGHTING HUMAN WRONGS AT SEA | LOOKING AT PIRACY AGAIN

SEACURUS

In this edition we look at the abandonment issue in more depth – asking about the costs, and assessing just who is going to start paying. Which leads us into the state of underwriting, and the latest data from IUMI on the global marine insurance market.



# 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

When it comes to information and intelligence the shipping industry needs the very best, most-timely and accurate data it can get. Sadly, shipping is not good at sharing, and despite the old maxim that measuring is managing we are seemingly failing.

This fact jumped out from the pages of Lloyd's List last month, as news emerged that there are black holes in the reporting of seafarer abandonments. It seems that events, incidents and problems are falling between the cracks in the industry.

Leaving the International Labour Organisation (ILO) database weakened, and the people administering it scratching their heads. This is a serious and destabilising issue – with changes to the MLC about to enter into force, it is plain that the industry is in the dark on the true scale and cost of seafarer abandonments.

This is endemic within shipping, and there are gaps in knowledge not just about abandonments, but other key issues too. It is time for a better approach, more robust checks and balances, and responsibility to be placed squarely on one body. It shouldn't be enough to bemoan a lack of reporting – with a simple Google search it is easy to see how lacking the shipping reporting processes are.

For a multi-billion dollar industry to be so lacking in reporting process and robust procedures is as depressing, concerning and ridiculous as it sounds. There needs to be a change, but who will lead the way?

In this issue we look at the abandonment issue in more depth – asking about the costs, and assessing just who is going to start paying. Which leads us into the state of underwriting, and the latest figures from IUMI on the global marine insurance market.

According to the report, the market has taken something of a battering in the past year, and the figures reveal just how bad things have been, and which sectors and areas have suffered most.

With the loss of Hanjin still swirling we look at the ongoing fallout of the financial meltdown, and assess whether the spectre of a domino effect across the industry will come to pass.

We also look at the latest state of piracy – as experts ask what has worked, what hasn't and what needs to be done in the future. Questions which are hugely significant as we appear to be edging toward a grim war of attrition.

Something which of course affects seafarers, as well as business. Last month Seacurus attended the first International Maritime Human Rights Conference, held in London – inside we look at the maritime human rights and associated welfare issues which caused much fevered debate and calls for action.

All the best

Capt. Thomas Brown
Managing Director

# INDUSTRY UNCLEAR ON ABANDONMENT

Underwriting decisions require good data – so when new research highlighted the fact that shipping is in the dark when it comes the cost and quantum of seafarer abandonments, it was something of a shock. So who is missing what?

## DIRTY DOZENS

Lloyd's List recently reported that at least two dozen cases of non-payment of seafarers' wages and/or vessel abandonment worldwide have been reported in the media in the last six months, but none of them have been listed on the voluntary International Labour Organisation (ILO) database.

The findings come just months ahead of rule changes that will from January 2017 see marine insurers pick up the tab in these circumstances, and have sparked fears that they will have to price the risk on the basis of inadequate information.

Access to accurate loss data is essential for the market to accurately price the risk of seafarer abandonment, so to find that so many cases of non-payment of seafarers' wages and/or vessel abandonment worldwide are missing from the database is a real cause for concern.

It should not be hard in our digital information and data age to cross check official databases with other sources. Unfortunately, it seems that is simply not being done. So it seems there is an information black hole at the heart of the abandonment issue, and it is a major causes for concern.

## QUANTUM OF CONCERN

A recent study added significantly to the official ILO data. Research revealed as many as 24 cases in which vessel abandonment is claimed, with at least 21 of them believed to be entered with International Group (IG) of P&I Clubs mutual.

It has been stressed that with differing definitions of abandonment and an occasional eagerness on behalf of local, non-marine journalists, that not all these could/would constitute genuine abandonment – but even if only a few did, the impact could be huge.

It has been estimated that a loss-cost for a single commercial vessel abandonment could be in the order of $500,000. So if these newly identified "abandonments" are applicable, the implication is for costs which could run to tens of millions of dollars a year.

Thus there are two immediate concerns which emerge. One is the fact that such as serious issue can be downplayed, ignored or wrongly accounted for. The second is that there is a huge financial storm brewing, which could hit hard.

Such concerns are particularly important in the current industry climate. With freight rates sinking to levels that can fail to cover shipowners' operating expenses, then cases of vessel and crew abandonment are likely to potentially rise.

## SIGNIFICANT IMPLICATIONS

Amendments to the Maritime Labour Convention (MLC) soon to enter into force, will also introduce a requirement for shipowners to display financial security certificates on ships covered by the MLC.

There must be proof that financial security is in place to ensure that any seafarer employed to work on board the ship will be entitled to claim for unpaid wages and other contractual entitlements, including food, medical costs and repatriation.

The issue has significant legal and financial implications – and the response from the IG is reportedly not yet finally formulated. It is understood that an approach to the issue is being considered, and that there is not yet agreement on the IGs potential exposure.

It seems the Clubs are working to find solutions, but with no real agreement on the scale of the problem, it could perhaps prove hard to find the right answers for their members, especially as abandoning seafarers does rather fly in the face of mutuality.

## NOT ADDING UP

Data drives decisions – so the suggestion there are gaps in industry figures needs exploring as a matter of urgency. Any break in knowledge and understanding is deeply concerning, and it is hard to join the dots if they are not all counted.

The issue seems to rest with the fact that the publicly-available ILO abandonment database is not complete. The database is maintained with data from flag States and other relevant seafarer and shipowner associations on a voluntary basis. Alas this is an approach which appears to be failing.





According to the International Transport Workers Federation (ITF) – the ILO database is a means to name and shame flag States – which perhaps gives an indication as to why they are failing to voluntarily report their own failures.

Turkeys do not vote for Christmas, as the saying goes – so to believe that the States would all readily report appears to be a little optimistic. That, however, does not tell the whole story – and there needs to be a renewed vigour within social partners to make the necessary reports.

## LEADING LIGHTS

For all that, there are some port and flag States taking proactive steps against the problems of abandonment. There are some taking drastic action to clean up their own act, or to enforce judgments against transgressors.

Last month it was reported that the Cambodian shipping register rescinded hundreds of vessels from its own open register. The Cambodian Shipping Corporation was established by the government in 1994, and in that time vessels flying its flag have stood accused of all manner of crimes – from arms trading, drug smuggling, human trafficking, sanctions violations, embargo busting and unsafe practices.

There have been abandonments too – and currently it is understood from media reports the Cambodian registered cargo ship "Tallas" is drifting, abandoned off the coast of Turkey. This is not listed on the ILO database.

While Cambodia seems to have awoken to the problems under its flag, the authorities in Bahrain are seeking to taken action about those who abandon vessels in their waters. Bahrain has reportedly blacklisted Dubai-based shipping company Sea Links Shipping after it abandoned the general cargo vessel, "Sea Lord", and 11 crew for almost six months – with the crew living in conditions likened to, "living in a burning furnace." This is not listed on the ILO database.

## SENSITIVE TIMING

The concern is that at such a sensitive and important time, with the insurance market and P&I underwriters assessing the true cost of seafarer abandonment, the access to accurate loss data is essential for the market to accurately price the risk of seafarer abandonment.

Speaking to Lloyd's List, the ILO promised to look into the reasons why dozens of seeming cases of vessel abandonment were hitting the media but missing their database.

The ILO states is made up of reports and comments from the International Maritime Organization (IMO), ITF as well as the International Chamber of Shipping, and other stakeholders such as flag and port states. They claim it is very rare for seafarers to make reports.

Currently the ILO database only states that "Governments and relevant organisations are invited to send the appropriate information". It seems that is not likely to get further sources. Perhaps seafarers need to feel part of the mechanism for change. By providing reports, and ensuring that their predicaments and problems are promulgated, then they can play a big part in bridging the data divide.

# LOOKING AT UNDERWRITING RESULTS

**The global marine insurance market has taken something of a battering in the past year.**

**New industry figures reveal just how hard things have been, and which sectors and areas have suffered most.**

## TOUGH READING

The International Union of Marine Insurance – unveiling its annual statistical report on the marine insurance market recently announced global underwriting premiums for 2015 of USD 29.9bn – which represents a 10.5% drop against the 2014 figure.

According to IUMI's Facts & Figures Committee, the strong US dollar has an impact on the drop – and while that can explain away some loses, all business lines suffered a real reduction in premium income.

There are a number of reasons for the battering - in the main it is felt that a sluggish global economy has had a major effect – but so too have low commodity prices and reduced activity, specifically in the offshore sector.

**The IUMI 2015 total comprised income from the following regions:**

- **Europe** 50.4 %
- **Asia Pacific** 27.1 %
- **Latin America** 9.8 %
- **North America** 5.9 %
- **Other** 6.8 %

**These business levels were across a number of different lines:**

- **Global Hull** 25 %
- **Transport/Cargo** 52.9 %
- **Marine Liability** 7.1 %
- **Offshore/Energy** 15 %

## BIG DEALS

There were some claims that were so big, they impacted the entire market's figures. The skews were in no small part driven by losses such as the Tianjin disaster. The chemical blast at the Chinese port represented the largest cargo loss ever recorded.

The magnitude and scale of the disaster are so immense, that IUMI feel the full effects on the 2014 and 2015 underwriting years are still unclear – but the losses got the underwriting year off to a bad start, with a cargo loss ratio that was higher than in 2014.

The uncertainties surrounding Tianjin, as well as the general Chinese economic slowdown make for potential problems – and IUMI is still concerned that a slide in commodity prices will continue to impact negatively on world trade and, consequently, cargo insurance premiums.





In looking ahead to predict future earnings, there are concerns that 2016 has the potential for large claims connected with Hanjin Shipping's current difficulties – but there is some cause for optimism as claims reported during the first six months of 2016 appear to be relatively modest, in all marine lines the potential for a major claim resulting from the increased accumulations risk is always a possibility.

## FEAR OF FAILURE

The failure of an industry giant such as Hanjin as sent reverberations through the industry – and it has perhaps highlighted the impact of globalisation when things go wrong.

The prolonged and obvious economic struggles of many shipping companies has had a major impact on the maritime sector, and according to a range of industry experts and observers, there is a real sensitivity – the economic scab has been picked, and it is stinging many.

Hanjin's high profile bankruptcy has highlighted not just how a company can combust, but the interdependence that others have and the spread of contagion that big losses can drive.

The loss of Hanjin has hit alliance partners, ship lessors, port operators, freight forwarders, insurers and cargo owners and stranding more than $14.0bn-worth of goods at sea. The knock on effects are still being felt, and the impacts could get even uglier as weakened parts of the chain snap.

## LOOKING AHEAD

There are concerns that the risks of costly cargo claims are expected to increase in the future with the increasing accumulation of values in ports and on single vessels, and a higher probability for claims caused by natural catastrophes.

Understanding the nature of risks and potential exposure is of course key for the marine insurance market – and digital technology is a major boon, providing insight, intelligence and decision making tools.

However, while the shipping industry is rapidly embracing the use of digital technology – there is one aspect that is proving rather worrisome. That is the prospect of unmanned ships.

This unmanned future is seen by IUMI as "not a million miles away". While this will likely ultimately enhance the safety of the industry, it could also present a whole new set of headache for marine insurers.

Dieter Berg, the president of IUMI, spoke last month on the issue. He said "I am convinced that digitisation will completely change our industry within only a few years," said Berg. Where new risks sit will become clear only over time. "Does it fall with the manufacturer? The software programmer? The ship owner? There are many legal issues.

## GRAPPLING WITH NEW RISKS

Such technological breakthroughs will need a huge change in mind-set and with the rules laid down from many different bodies. Across the board there will be new set of risks to grapple with – and marine insurers will be on the front line.

Frédéric Denèfle, IUMI's legal and liability committee chairman, recently stressed the importance of quality crews, when it comes to ship safety. He expressed concerned that the concept of an unmanned vessel does not fit with the traditional known approach of the shipowner's legal commitment, which is to safely man its vessel and identify the master as the central authority on board.

Removing such certainty may lead to doubts and confusion. All charter-parties and bills of lading, which currently specify that the important duties on board must be fulfilled by the master and/or other crew members, will need to be changed if unmanned vessels become reality.

Such change will also affect flag State and classification societies – and these will need to issue new rules, regulations and laws which will recognise the pre-eminence of remote control technology over the immediate know-how of a crew on board. This is a frightening prospect, and while marine insurers can't ignore or resist new technology there is a lot of work to be done.

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# THE DOMINO EFFECT

**The bankruptcy and ongoing fallout of the Hanjin financial meltdown has raised the spectre of a domino effect across the industry. With shipping alliance partners hit, as well as charterers and cargo owners – just what does it mean for the box trade?**

## 60 YEAR ITCH

It has been more than 60 years since Malcom Mclean vision of unitised cargo was first lifted onto "Ideal X", a converted tanker and the era of container shipping was born. In all that time there has never been as dark or long a shadow cast across the sector.

With Hanjin's business balloon going pop, it seems that confusion is the only certainty right now. When the music stops, it seems far from clear who will be left with a seat, as the companies play musical chairs with ships and cargoes.

There is still no real clue as to how it will all end. Today there are now just 15 major global carriers – a figure already down from 20 five years ago. A 25% churn in half a decade is significant, and hints that times have been troublesome.

When this phase of container shipping is over, some experts believe the likely number of remaining global carriers will be in single figures. Something which could have wider reaching consequences than in the box trade alone.

## DRAMATIC YEAR

To say it has been a dramatic year for container shipping is something of an understatement. Fighting on three fronts, companies have tussled with overcapacity, difficult markets and consolidation.

The middle of the year saw capacity in the market passing the 20m TEU level – and still the new ultra-large containerships continued to be delivered. This combined with a background of slower trade and low and volatile rates to make a perfect storm.

A corrosive container cocktail of collapsing revenues, defensive mergers and the failure of major players, has pushed the sector into a corner, and some will emerge punching – others with their heads covered, hoping not to get hit.

Some observers, wise after the fact, believe the Hanjin bankruptcy was no surprise given the firm's inability to restructure its finances. Perhaps, even without the luxury of hindsight it was all too obvious. It has certainly highlighted the weakness of a system in which owners' charter ships to companies that don't own or control the cargoes.

## TIP OF THE ICEBERG

For many it seems that Hanjin is just the tip of the iceberg for shipping in both the container and dry-bulk sectors. On either end of the manufacturing chain, with one providing raw materials, and one shifting goods – it seems both sides of the equation could be stung in a slowing global economy.

The concerns are that the perilous financial state of shipping is in decline. There are fingers being pointed at those who drive the over capacity, which in turn deflates freight rates.

There are less than sympathetic views that the industry's problems are fuelled by shipowners themselves. The owners who have doubled down in the belief that the global economy would continue to grow by grossly over-ordering new ships.

With the slowing of trade, there has only been one place to go – for rates to plunge, and even ten year old container vessels finding themselves on the beach. Young ships being scrapped by owners who have fallen for the oldest trick in the book, the "over-confidence" trick.

## DARKENING CLOUDS

Even the biggest player is not immune to the crashing waves around them. Last month Moody's Investors Service placed on review for downgrade the credit rating, of Maersk. This followed the company's announcement that it will become an "integrated transportation and logistics company" while separating the oil side of the business over the next 24 months. The real question is the duration and drop in rates. Just how long and how far can the downward rate pressure go before the entire shipping industry is operating in red, and collapses?

Well it perhaps depends whether you let the market decide, or whether you tweak it yourself. South Africa's Competition Commission conducted a search and seizure operation last month at the premises of six major global container shipping companies as part of an ongoing investigation into price fixing allegations.

The commission, claims reasonable grounds to suspect that Hamburg Sud, Maersk Line, Safmarine, Mediterranean Shipping Company (MSC), Pacific International Line (PIL), and CMA CGM Shipping Agencies engaged in, "collusive practices to fix the incremental rates for the shipment of cargo from Asia to South Africa".

## PRESSURE BUILDS

For some companies there is pressure to buy, while for others there is pressure applied by competitors – tweaking the heat underneath their fellow players with a little bit of rumour mongering.

Last month it emerged that Kawasaki Kisen Kaisha (K Line) was subject of accusations and "unfounded" and "false" bankruptcy rumours. These were allegedly spread by the Japanese-owned APL Logistics Group.

It seemed a "small number" of its employees "conveyed opinions to several customers that touch on the potential financial position or viability of K Line" and that the employees have since retracted their statements or are in the process of doing so. Even if the competition isn't going to the wall. It can seemingly be tempting to wish them ill.

The mark of a sector in turmoil is when the grapevine goes into overdrive – and Maersk too was seemingly subject to some rumour mongering last month when it was suggested they may look to buy both Hyundai Merchant Marine (HMM) and Hanjin Shipping. They denied it, stating surprised they hadn't also been linked with newly single Angeline Jolie into the bargain. A bit of big blue humour there…which is welcome in these dark days.

# LOOKING AT PIRACY AGAIN...

The global position on piracy appears to have shifted dramatically in the last 18 months. From the constant fear of attack, there appears to be something more of a grim war of attrition developing. So what is the current state of play?

## CURRENT STATE

The Oceans Beyond Piracy (OBP) project last month convened a meeting of 35 maritime experts to discuss the current state of maritime piracy off the east and west coasts of Africa.

The meeting saw some frank and open discussion, and brought together representatives from key maritime nations, the shipping industry, international organisations, and civil society groups.

The focus was on finding a path to a coordinated and joined up approach to piracy. There were four key areas under consideration – these were developing an operational response, ensuring the rule of law is fit for purpose, the direction of vessel self-defence and what can be expected by way of international support.

These four key issues were transposed onto two key areas of OBPs research, The Gulf of Guinea (GoG) and Horn of Africa (HoA). Highlighting what is working and can work, but also flagging up concerns or issues which are hampering the fight against piracy.

## GULF OF GUINEA

According to OBP, there are some signs of progress in the GoG region. The spike in kidnapping for ransoms which were seen in the last quarter of 2015 and the first quarter of 2016 appear to have been reduced. This is due to a combination of increased patrols by the Nigerian Navy, increased use of contracted security and a refocus of attacks away from piracy at sea and more towards inland infrastructure.

The operational response in the region has seen regional nations increasingly willing and able to respond to piracy attacks. There has been increased coordination across the zones, helped by the Yaoundé process. The Nigerian Navy's armed response to pirate attacks on the "MT Maximus" in February and the "Vectus Osprey" in August show that there is determination to respond.

Sadly, there are still problems. There is considerable frustration that regional justice systems are still not seemingly holding pirates accountable. A commitment to arrest, prosecute and incarcerate pirates sends a signal of resolve, this appears to be weak in the GoG. The concept of vessel protection and defence is a worry for industry. The number and variety of armed protection teams and schemes offered by coastal states to protect vessels calling at ports is causing confusion and concern in equal measure.

International support is a key issue – but has also proven problematic in the GoG. The G7++ coordination is seen as an ideal mechanism to build trust between the international community and regional states, but it needs to engage additional nations and non-traditional actors to ensure universal support for achieving practical outcomes.
While OBP has recorded a decline in international counter-piracy spending from $7 Billion in 2010 down

## HORN OF AFRICA

to $1.3 Billion in 2015, an effective deterrence has been maintained due to more cost-effective counter-piracy measures and the overall decline in pirate activity.

However, there are concerns that piracy gangs are still organised and retain the capability and intent to attack international shipping. It is the opinion of OBP that these criminal networks are currently focused on other criminal activity, but are watching to see if conditions at sea become favourable again for piracy attacks.

International forces remain committed to support countries in the Horn of Africa/Western Indian Ocean region to deal with piracy, and the presence of navies is heartening. However, there are concerns that capacity building plans for regional forces are still many years from effectively suppressing piracy on their own.

Gains made in establishing a regional prosecution model for piracy based on the rule of law have played a significant part. These changes have enabled the apprehension, prosecution, conviction and incarceration of more than 1,000 pirates.

As commercial shipping patterns return to pre-crisis norms, there is concern that a growing number of





vulnerable vessels are not following recommended procedures such as transiting through the Internationally Recognized Transit Corridor (IRTC) in the Gulf of Aden.

There are also clear indications that the use of armed guards is decreasing in all areas of the High Risk Area (HRA). These developments may risk creating opportunities for pirates to reassert piracy business models. Shipping organizations still implore their members to remain vigilant and follow BMP4 recommendations while the HRA remains in effect.

The Contact Group on Piracy off the Coast of Somalia, along with other institutions, such as the IMO and the UN, made significant progress in coordinating international support to suppress piracy at its height. These international mechanisms now need to carefully monitor threat levels to ensure that core functions of counter-piracy coordination remain, that counter-measures remain cost-effective and sustainable, and the Contact Group remains ready to quickly re-engage the International Community if the piracy threat returns.

## PROBLEMS PERSIST

While the OBP meeting saw cause for hope, it should be remembered that the piracy problems persist. Just last month the chemical tanker "Hanze Kochi" was attacked by pirates in Gulf of Guinea off Brass, Nigeria.

A group of armed men approached the vessel in early morning by fast boat. The duty officer raised alarm for piracy attack and all the crew locked in the citadel. A distress call was sent to the Nigerian navy. The pirates boarded the ship and took control, but the navy sent two boats with guards.

The pirates ransacked and robbed from the accommodation, but had no time due to approaching navy guards. They abandoned the tanker some minutes later and fled to the shore. The Nigerian navy freed the vessel and crew.

A chilling illustration of how seafarers and vessels are still targeted and remain vulnerable. It also shows the importance of the defensive measures and means of responding, that are so important. Raising the alarm, retreating effectively into a citadel, and having the navy react seem to have possibly saved lives and the vessel in this case.
There is perhaps some surprise that OBP did not convene to meet and discuss Southeast Asian piracy issues. According to recent data, SE Asia now has more incidents of seafaring attacks than any other area in the world.

## MISSED OPPORTUNITIES

With the Philippine-based bandit group Abu Sayyaf instrumental in a number of attacks, the region accounted for 178 piracy attacks in 2015, according to the International Maritime Bureau.

It is not just regional differences in piracy which need to be understood – there are new threats and targets emerging too. It was flagged last month that violence and piracy against yachts cruising the Caribbean is on the rise.

The region's yachting fraternity is fighting back, using social media and online forums to unite, to warn fellow mariners of incidents and danger hotspots, and to raise money to get victims back on the water. After a couple were held at gunpoint and assaulted, and had their yacht damaged, in Grenada on 30 July, the Caribbean cruising community raised several thousand dollars within days. These are days of increased fear and even paranoia on the water.

## TIME OF INTROSPECTION

With a gathering such as that organised by OBP, it seems that reflection is rife regarding piracy and the safety of seafarers. While it is good to contemplate what has happened, to find successes and analyse weaknesses, there is a danger that we are not anticipating future trends.

Critics are quick to point out that an industry gathering on piracy that does not assess SE Asia is perhaps likely to miss out on key issues. So what are the challenges for shipping?

According to experts, the challenge is not any one security threat – it is about understanding them all.
It is about intelligence and information-sharing. With knowledge, data and reporting, there is no need to fight alone or to become trapped in lonely furrows or fighting on new frontiers.

If shipping can record, report and receive timely, accurate and useful information – then there is a chance to do the right thing. Sadly, as we have seen time and again, shipping is not very good at this most basic and simple of tasks. We do not know how many stowaways there are globally, our industry data on abandonments is pitiful, and our accident reports are incomplete.

Intelligence may well be key, but until that describes the people charged with data gathering, we may be fighting a losing battle.

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# RIGHTING HUMAN WRONGS AT SEA

Last month saw the first International Maritime Human Rights Conference, held in London. An event which focused explicitly on addressing the issue of maritime human rights and associated welfare issues throughout the maritime environment.

## COMING TOGETHER

The aim of the conference was to bring together industry, civil society and government-level leaders for discussion and debate on current issues that universally affect the human element at sea.

Tackling human rights requirements in the maritime environment is no mean feat – and the work of the charity Human Rights at Sea has done much to drive the debate and current level of interest on the matter.

Titled: "Respect, Responsibility and Remedy in the Maritime Environment" it was the first time that such an event had occurred and stakeholders from across the entire maritime space, came together to outline their respective work, concerns and aspirations in relation to acknowledging and dealing with ongoing human rights abuses in the maritime environment.

With a range of speakers and diverse business interests, there was nonetheless a united and unified agreement that there is no place for the human rights of those at sea to be eroded. It may be easier to apply standards on land, but to ignore what is happening on our oceans is the right and proper things to do.

## VOICES HEARD

David Hammond, CEO Human Rights at Sea opened by issuing a call to action that there should be: "application of human rights throughout the maritime environment at all times without exception."

George Tsavliris of Tsavliris Salvage said that "Respecting human rights is not a tick- in-the-box exercise" and that is was the "right thing to do" while always "maintaining a code of ethics" within a company structure.

While Captain Kuba Szymanski of InterManager stated that authorities should "stop criminalising us" in relation to the increasing trend to criminal seafarers for their actions and also noted that "99 percent of the shipping industry is not bad, it is excellent". He also pressed the point that seafarers were human beings.

Peter Sweetnam, CEO of the Migrant Offshore Aid Station (MOAS) commented that for many migrants rescued at sea by NGOs it was: "Treating them, sometimes for the first time, as human beings." This resonated with the hard-hitting opening film titled "The Dead Sea" partly funded by Human Rights at Sea and which detailed the abuse and torture of migrants passing through a Libyan detention centre based on factual testimony.

## CHALLENGES AHEAD

For all the work of so many charities, bodies and well-meaning people – it is perhaps surprising that seafarers do still suffer and face challenges and threats to health, livelihood and even liberty. However these problems are very real.

Even with the glare of publicity some countries are seemingly unable to treat seafarers with the respect and decency they deserve. The ITF (International Transport Workers' Federation) last month lashed out at the refusal of shore leave to seafarers on board Hanjin ships in the USA as a denial of human rights.

The union praised the actions of dockers in Seattle who have drawn the problem to public attention, revealing that the chartered vessel "Hanjin Marine" had waited but the US Customs and Border Patrol (CBP) were refusing the crew shore leave.

To what end is never clear – who gains by such knee jerk, nonsensical decisions? Claiming that refusal of shoreleave is a "security" matter should never be enough. It is an easy answer to a difficult problem, and nations need to look after seafarers…and they need to safeguard their human rights.

## POTENTIAL ISSUES

The ITF recently held its Maritime Roundtable (MRT), bringing together activists from affiliated unions from all continents. Paddy Crumlin, ITF president and chair of the dockers section, said, "seafarers face more potential issues at work than ever before: automation, subcontracting, the race to the bottom on health and safety standards, the rise of multinationals. Employers are thinking about profit margins, and in a lot of cases that's it. If it means workers are impacted then so be it. There has to be someone there that says that's not OK and that's us."

It is not just the generic "seafarer" that is suffering – there are more specific problems too. There are real concerns that the very role of master is being undermined and misunderstood.

Indeed concerns about the significantly evolving shipmaster's traditional role are the basis of this year's renowned London Shipping Law Centre (LSLC) Cadwallader Debate.

Dr Aleka Sheppard, Maritime Arbitrator, Founder and Chairman asks "With the present-day shipmaster becoming increasingly subjected to extensive, onerous and unpredictable demands both on board and ashore, his authority is perceived by the industry as being seriously eroded". The event is titled, "The Master under Attack? Authority and responsibility in an age of instant access".

## WHAT CAN BE DONE

The issues bring us full circle, and the questions need answers. For some charities – looking for ways of raising awareness, then the low PR fruit involves schemes to get people to knit hats or wear stripy items to the office.

These are all well and good, but do they really work? According to Kuba Szymanski the answer is as simple as it hard to deliver. "What would help seafarers" he asked at the human rights conference. He said we must, "Bring back the dignity of being a seafarer, what would help seafarers? Stop criminalising us".

Bringing back the dignity of being a seafarer? As World Maritime Day last month reminded us, shipping is indispensable to global trade – that is widely recognised, but perhaps downplayed or ignored is the fact that's seafarers are equally crucial to shipping.

Until the autonomous ships of the future arrive, we need to find a way of rewarding, recognising and supporting seafarers. Maybe more knitted hats, more striped socks – but perhaps somehow grabbing the collective attention of the public to show just how important seafarers are, how vital it is to protect their human rights, and of ways in which good shipping companies can be supported over poor ones. That is still far from clear.

# MONTHLY NEWS ROUND-UP

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

Mystery Tanker Anchored:
A liquefied natural gas tanker plying the waters of the Mediterranean has created a guessing game for energy traders. The Maran Gas Delphi has taken a meandering course after loading up on U.S. shale gas a month ago at Cheniere Energy Inc.'s Sabine Pass export terminal in Louisiana. The ship anchored off the coast of Greece has been prompting speculation that it would deliver its supplies to a port in the region. http://goo.gl/RKeEVG

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Seafarer Shortage Strangulation:
Britain's flagging power as a seafaring nation could put the country's economic security at risk, according to maritime union Nautilus. The body is warning that decades of decline in the number of British-registered vessels means the UK's Merchant Navy is becoming "so depleted that our economy could be held to ransom" by other nations with stronger shipping industries. Britain depends on the shipping industry for almost all of its goods exports and imports and Nautilus claims that without government action to protect the industry, it could become a danger to the UK's prosperity. https://goo.gl/YJuYIJ

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Human Element Still Key:
The Marine Accident Investigation Branch (MAIB) has highlighted the human element as a consistent factor in accidents. The procedures and safe working systems that lie at the core of safety management systems are there for a reason, says the MAIB. "Investigations into marine accidents consistently identify cases where mariners chose to ignore the instructions and guidance contained in companies' safety management systems. The root cause for this is often complex, but a disconnect between the safety culture that shore-based managers believe...is in place within their fleet and what is really happening on board."
https://goo.gl/PgGawR

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Training Needed for Safety:
Braemar (incorporating The Salvage Association) (Braemar SA) has called for more training to be given in order to make vessel casualties manageable in the event of high-risk incidents. Addressing delegates at the annual International Shipowning and Shipmanagement Summit in Singapore, Graeme Temple, Far East Regional Director for Braemar SA said: "Training is essential to managing incidents effectively and looking at how processes can be improved. Often we see casualties needlessly occurring because of human error, this can be managed, if not avoided, by providing the appropriate training before such events occur".
https://goo.gl/qgl67i

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IMO Light Touch Ending: The IMO's three-month so-called "light touch" enforcement of the SOLAS revision that all packed containers must have a certified VGM (verified gross mass) before loading on board a ship is coming to an end. Industry fears of supply chain chaos on 1 July, when the new VGM regulations came into force, were largely overcome; by education and a pragmatic approach by all stakeholders. According to data from the World Shipping Council, the VGM compliance reported by its member container lines is as high as 95%. That early approach is ending, accurate VGM certification and universal enforcement of the rules are here to stay.
https://goo.gl/fjEG6g

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ZIM Having Tough Time:
ZIM Integrated Shipping Services Ltd., one of the world's leading container shipping carriers, has announced financial results for the three month period ended June 30, 2016. ZIM had reached an agreement with its creditors for rescheduling of payments in a total amount of approximately US$ 115 million, during a period of up to 12 month starting on September 30, 2016. With this agreement in place the company maintains its financial stability and will continue to develop its growth plan. Reaching this agreement is another proof of the confidence and trust that the creditors have in the company. https://goo.gl/04EeZ3

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Bulker First for Panama:
The expanded Panama Canal has achieved yet another first with the transit of the first dry bulk cargo through the new locks. The Bermuda-flagged MSC bulk carrier "MV Carouge" recently completed a southbound transit from the Atlantic to the Pacific Ocean on its voyage from the port of Carbonera Muelle, Colombia to the South Pacific. The capesize vessel is the first of its kind to use the expanded waterway since its inauguration this past June. http://goo.gl/XuC542

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Tough Time Choosing P&I:
Choosing a P&I Club can be a critical choice, let alone making a right decision, in terms of cost-effectiveness. Of course, it's imperative that the owner himself has a proper track record, with quality ships under management and few – if any – detentions, in order to achieve better value, but in any case, trends are difficult to discern in today's insurance market. A good risk selection and disciplined underwriting are both significant contributors to strong P&I results. Although, even with reinsurance protection and the ongoing efforts to minimize inflated claims, there is still one factor less manageable; and that is human error. https://goo.gl/kk6lqG

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Panama Embraces HK Convention:
The International Maritime Organization's effort to implement new international regulations intended to the promote safe and environmentally sound ship recycling received a major boost this week with ratification by the world's largest flag state. Panama has become the fifth IMO Member State to accede to the IMO's Hong Kong International Convention for the Safe and Environmental Sound Recycling of Ships (Hong Kong Convention), which is aimed at ensuring that ships sent for scrap do not pose a risk to human health and safety or to the environment. https://goo.gl/33rNMv

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Understanding the London Protocol:
A new brochure outlines why the London Protocol is needed and explains how permitted waste materials are assessed for a dumping permit. Governments have been urged to ratify the London Protocol treaty which regulates the dumping of wastes at sea in order to ensure the universal application of its precautionary approach towards protection of the marine environment. The London Protocol, which currently has 47 Contracting States and has been in force since 2006, prohibits all dumping of wastes and other matters at sea, except for those on an approved list, which may be assessed and considered for dumping. https://goo.gl/b1g7H9

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Tackling Fears of Liquefaction:
The Association of Bulk Terminal Operators has warned that cargo liquefaction – an issue commonly associated with the seaborne transportation of unprocessed mineral ores and concentrates – is also an issue which bulk terminals need to pay attention to. ABTO chief executive Ian Adams, said: "The liquefaction of bulk commodities is a serious issue which can and should be managed effectively shoreside. However, allowing ship's crews access to stock piles to assess solid bulk commodities such as Bauxite and nickel ore is not the answer in view of the fact that stock piles have been known to collapse." https://goo.gl/wnuPVm

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Box Trade Needs Transparency:
While sensor-laden containers, smart ships and 3D printing have grabbed the headlines, the start-ups making the biggest inroads are those working on something more basic - streamlining the interactions transporting the goods. Transparency is viewed by a lot of people in the industry as destructive in that it would negatively affect margins that has to change. https://goo.gl/LaOZNI

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Mini Emergency Alliance:
Hyundai Merchant Marine will form a vessel-sharing alliance with local midsized container carriers to fill in for Hanjin Shipping that is under court receivership. South Korea's second largest container carrier will join the new partnership, named "Mini Alliance", with three other carriers Korea Marine Transport, Sinokor Merchant Marine and Heung-A Shipping. The alliance plans to deploy 15 vessels on four Southeast Asian routes – covering Singapore, Malaysia, Indonesia, Vietnam and Thailand from South Korean port cities — starting from end-September to reduce damage caused by Hanjin's collapse. http://goo.gl/syk85I

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