SEACURUS BULLETIN

SHIPPING SHAKEN BY CYBER ATTACK

REFLECTING ON THE PERCEPTIONS OF CREWS
SHIPPING SAFETY AND MORALS | PIRACY RESURGENCE CAUSES CONCERN

As shipping is shaken by its first major cyber attack we look at what this might mean for the industry and also explore the latest resurgence of pirate activity in the Gulf of Aden and northwest Indian Ocean Region.

In this issue..

Welcome

> They said it would come, and it did. Shipping has finally been shaken by its first major, publicly known cyber attack. There has been so much written about the dangers of cyber attack for shipping, but nothing happened. Then suddenly, Maersk and APM Terminals fell foul of a ransomware attack which had compromised many of their internals systems.

We should perhaps be thankful that it was the offices ashore which were hit, and not vessels out at sea. There is now a steep learning curve, and all will have to face up to the new reality that shipping can indeed be a target, and can be hit.

The Maersk "Petya" attack was not the only phishing scam doing the rounds in the maritime industry last month. In other marine related cyber attacks, a bunker fuel dealer from Malaysia reportedly fell victim to an e-mail payment scam and lost $1.1m. The company was cheated by a fake bunker fuel supply company, which asked for payment into a US-based bank account. The payment was duly made, and the money vanished into the criminal's hands.

This attack was understood to have been made possible owing to spyware which had infiltrated the victim's computer. By spying on e-mail correspondence between the victim and his actual supplier in Singapore, the fraudsters could con them out of such a large sum.

Elsewhere, law firm Reed Smith reported an email scam aimed at owners and charterers and, in particular, being sent to ships. The emails were from scammers posing as law firms in order to distribute malware, including the latest ransom-ware.

The email scam claims that legal steps in arresting a vessel are ongoing, and Masters are invited to open a document, which then spreads the virus. Obviously, anyone receiving these unsolicited emails should be very careful and, if in doubt as to their authenticity, should send them to their IT support team before opening any attachments or links contained therein.

The cyber barbarians are at the gate, and we can but hope that people and systems can keep them at bay. Cyber safety is very high on IUMI's agenda, and so it seems likely that cyber risks will become more transparent and understandable to insurers, which will obviously make the risks insurable too. As we reported last month, the IMO has embraced cyber risks within the International Safety Management (ISM) Code. Slowly the noose is tightening on the criminals – but alas, it is also constricting on innocent businesses too.

Reporting is of the utmost importance, and the North P&I Club is working with the likes of BIMCO, DNV GL and the Marshall Islands Registry, to combat cyber criminals by using the CSO Alliance's global information and reporting platform for digital attacks. Knowledge and awareness are vital when tackling such issues, so hopefully this initiative will deliver on its promise.

The past month has seen other developments, and with Seafarer Awareness Week being celebrated, we have taken the opportunity to look at the effects of abandonments on crews. We also look at the issue of maritime accidents, and as studies reveal that accidents are more likely in a downturn we ponder what can be done to head off rising losses.

Inside we also look at the latest resurgence of pirate activity in the Gulf of Aden and northwest Indian Ocean Region and as concerns grow, we ask just what has been done to break the cycle of poverty which send Somali men to hijack vessels.

We hope you enjoy this latest issue of Seacurus' monthly bulletin.

All the best

Capt. Thomas Brown
Managing Director

SHIPPING SHAKEN BY CYBER ATTACK

There has been so much written about the dangers of a cyber attack and the effect it would have on shipping. Finally, something big happened, and it highlighted how vulnerable the industry really is.

LOOKING THE WRONG WAY

Much of the thinking about maritime cyber security has been focused on the effect out at sea. The commonly held perception was that the big attack would happen to a ship, or that crews would cause some catastrophe by shoving USB sticks where they shouldn't.

The recent "Petya" cyber attack was among the biggest-ever disruptions to hit global shipping. Several port terminals run by a Maersk division, including in the United States, India, Spain, the Netherlands, were left struggling to revert to normal operations after experiencing massive disruptions.

As with most things in life, while everyone was looking in one direction the hit happened elsewhere. So, it was that Maersk and APM Terminals were hit by a ransomware attack through their offices ashore.

Just as the old war story claims that Japan took Singapore because all the guns were facing out to sea, the same seems to have happened here. The ships were the focus, and that seemingly has meant the shore may not have been prepared as it should have been.

VIRAL SPREAD

The computer virus began its spread late last month in Ukraine and affected companies in dozens of countries. Maersk was far from alone in being hit – companies such as Rosneft, TNT and Mondelez were all affected.

Maersk said the attack had caused outages at its computer systems across the world. In an example of the turmoil that ensued, the unloading of vessels at a number of terminals was severely slowed, and some operations even went back to basics and did everything on paper.

The impact of the attack on the company has reverberated across the industry given its position as the world's biggest container shipping line and an operator of 76 ports. Given Maersk's market share, the attack has the potential to throw global container supply chains into chaos.

According to calculations, Maersk's shipping lines – Maersk Line itself, Safmarine, Seago, MCC Transport and Sealand – have all been affected and book 3,300 teu every hour, representing some $2.7m in revenue per hour. That equates to at least some 82,500 TEU and revenues of $67.5m having been affected – a combination of shipments caught up in ports and on vessels, and likely lost bookings.

THE CYBER SNOOZE BUTTON

When the worst did happen there was praise for the speed of its response. Maersk has been congratulated in some quarters for the contingency plans it had in place, it seems they were clearly capable of handling a major incident of a scale which prompted the shutdown of its IT infrastructure and affected terminals.

There was also relief that vessels have remained unaffected up to now. Indeed, it was stated that communications with their fleet was maintained. However, there will have been delays and knock on effects.

Experts have been queueing up to comment on the attacks, and Ian Millen, security and intelligence advisor at Global Navigation Solutions, expressed surprise the maritime industry was still caught out. The consensus seems to be a sense that much of this has been down to some form of complacency, and people simply "pressing snooze" on the problem.

There was clearly a sense that either the whole cyber security issue was not serious, or that shipping was not a target. The fallout of Petya seemingly disproves both of those theories dramatically.

SHOULD THEY HAVE DONE MORE?

There is of course some sympathy for any company which has found itself caught out. One can only imagine what kind of time the poor unwitting employee who clicked on the attachment riddled virus felt.

Nothing ruins a week faster than being the one that opens the gates to the enemy. Rather akin to asking a

vampire into your house, clicking on dodgy attachments can be disastrous and the implications devastating for a business big or small.

According to experts though, Maersk Group should have avoided being affected by the attack. Just by applying security updates, they should have been protected. John Boles, a former assistant director of US Federal Bureau of Investigation's international operations, said the attacks could have been avoided by applying the Microsoft security update and patches that addressed the SMB vulnerability.

With the previous global "WannaCry" attack which hit the UK's National Health Service, amongst others, the patch was issued before the outbreak began and companies who patched and updated were protected. So, it seems companies still have much to learn.

SAME OLD PROBLEMS

In the same week as Maersk was wrestling with the cyber attack the UK proudly saw HMS Queen Elizabeth depart from dock for the first time. The aircraft carrier is Britain's largest ever naval vessel, and supposedly bristles with new technology.

However, fears have been raised the warship could be vulnerable to cyber attacks after journalists visiting the vessel suggested it was running outdated Microsoft Windows XP.

Screens inside a control room on the ship, reportedly displayed "Microsoft Windows XP - copyright 1985 to 2001". While the Defence Secretary insisted the ship's systems were "properly protected". It is immensely

concerning that such a modern vessel could be using the same software that left the NHS exposed, and which no longer receives support from Microsoft.

This is actually a serious issue for commercial shipping, as one of the constant criticisms is the fact that so many vessels are still using XP. It seems time for new investment in IT infrastructure and a serious rethink.

TIME TO RETHINK

Such a rethink may be forced on shipping, as the International Maritime Organization (IMO) has given shipowners and managers until 2021 to incorporate cyber risk management into their existing ship safety regime as part of the ISM Code.

Interweaving cyber into regular safety management systems is deemed by most observers to be the most sensible route, not least by making compliance an important business decision too. Not conforming to the new rules means shipowners run the risk of their vessels being detained, as well as vulnerable to attack.

The risk of attack is significant, as has been clearly shown. With so many competing challenges, it can be all too easy to shy away from cyber security, but the time to act is here, and even though crew, training and maintenance budgets are already under pressure there needs to be the resources found and allocated.

Shipowners and managers need to get onboard with the new risks and work to address the cyber needs of their people, clients, vessels and shore management effectively. The clock is ticking…

REFLECTING ON THE PERCEPTIONS OF CREWS

Seacurus has long focused on the issue of seafarer welfare, indeed it was one of the primary reasons the company exists. With this year's Day of the Seafarer posing more questions than answers, we take a look at the current state of play.

SEAFARER DAY DELUSIONS

Every year, since the IMO descended on Manila back in 2010, we have had a "Day of the Seafarer" to ring in our collective industry calendar. A day in which we are meant to reflect on seafarers and all that they do for us.

This years' theme was "Seafarers Matter", and while that seems a lovely sentiment, there are many who have questioned whether it is true and of the effect of simply having a day to realise that, when there is so much more to be done.

For us at Seacurus, it is a matter close to our hearts. We have been at the forefront of insurance developments which affect crews, from kidnap to abandonment. So, we are always especially interested in how seafarers are perceived and treated.

So, a special day in which seafarers are meant to be at the forefront of our minds and a time of reflecting on the sacrifices those at sea make to bring the things that people want and need to their shores. The world in linked ever more, and it is seafarers and their ships making it happen. So, from that perspective they do indeed matter, a lot.

FALLING FLAT

What does having a "day" really matter though, and is it worth the fuss? Unfortunately, some think it's rather patronising, and pointed out that June 25th was also "Goats Cheese Day, National Catfish Day, Strawberry Parfait Day, Colour TV Day, Global Beatles Day, Log Cabin Day, and Please Take My Children to Work Day".

With so much noise, it is hard for seafarers to be heard. So, what, exactly, are we supposed to do with the Day of the Seafarer? Yes, it is a day to "appreciate" the world's seafarers, but seeing a most of them spend at least half of the year away – and some even more, then 24 hours seems a rather paltry return.

The fact remains, that it takes more than a day, it takes more than some forced celebration. For seafarers to be respected, to be recognised for the vital importance they have, then the same degree of focus on their needs and wants should be given to the fact that they keep trade moving and bring all that society wants and needs.

Just a day out from Seafarers' Awareness Week, the Sailors Society announced a new study in which perhaps the most astonishing and shocking fact emerged. Amazing as it may seem, but suicide is now the single biggest killer of seafarers. In as dangerous an occupation as working at sea, mariners are more likely to kill themselves than be killed. That seems staggering, and as depressing as it is stark.

THE SORRY TRUTH

While suicide is perhaps the single biggest problems, it is still felt that abandonments paint the real picture of how seafarers are perceived and treated. All too often dodgy companies cut and run when times are hard, and they leave their crews in the lurch. In fact, just how many seafarers have killed themselves after not being paid, and being unable to face the shame and stress of it all?

Time and again, tales of abandoned crews emerge, and it is positive to hear the secretary-general of the IMO Ki Tack Lim vow to crack down on owners who abandon crews. However, it seems there is much work to be done to ensure that is possible.

We have raised the issue before, but there are holes in the reporting mechanism. So, when there are plans to fix the problem, it needs to begin at the start and people need to know the scale and scope of abandonments.

The International Labour Organization (ILO) maintains a database of reported incidents of seafarer abandonment. However, despite some recent improvements it is still clearly missing vessels. Which means that seafarers are slipping through the net and bad owners are not being called to task.

JOINED UP THINKING

Speaking at the IMO's headquarters in London last month, Secretary General Lim emphasised that continued cooperation between IMO, organizations such as the ILO, flag and port States and shipowner groups was essential. Lim said, "We have a human duty to protect seafarers, and we must not hide from it".

Worthy sentiments, but the issue is not going away and continues to cause misery and mayhem for crews and is a stain on the shipping industry in which they work. It is also something which is seemingly on the rise, and cases have reportedly soared as the downturn has lengthened.

This has seen a number of charities call for more punitive measures, and it seems clear that there is a collective will emerging, demanding more is done to protect seafarers. There is certainly a higher level of transparency needed to improve human rights in the shipping industry.

So, on this years' Day of the Seafarer there was a sense that enough is enough. There doesn't need to be any more "pity", there needs to be action. With campaigns that provide woolly hats for seafarers, there is a danger of us portraying mariners as victims. Which can mean they are more likely to be taken advantage of.

SEA BLINDNESS MYTH

It has often been claimed that seafarers are not recognised because there is a form of sea blindness. Where society just never really thinks about what happens at sea. This is considered especially true in the UK. However, new research debunks the myth.

According to a poll by ComRes on behalf of the UK Chamber of Shipping, 84% of the UK public correctly identified shipping as the principal mode of transport for the country's imports and exports. So, it seems it is not a case of not knowing, it seems to be a lack of compassion or appreciation of the problems that seafarers face.

While the maritime industry has thought it has been struggling to captivate the public imagination, it seems more a case of not caring than not knowing. So, this means the challenge to ensure that seafarers are recognised, respected and protected is even harder than first thought.

There are so many challenges to be faced, and abandonment is often just the tip of the iceberg. There are physical health issues, there are mental health problems too. So, as we have a year to go until the next day of the seafarer it will be fascinating to see what is improved. We fear not very much, and that is the tragedy of putting too much effort into just one day. The problems are every day, on every ocean and on far too many ships.

SHIPPING SAFETY AND MORALS

It may seem odd to be talking about positive maritime safety trends in the wake of several high-profile casualties over the past month. However, the latest data on shipping losses reveals many positive trends. Let's explore what is going on.

LATEST DATA

The numbers have been crunched, and it seems that shipping losses declined last year by as much as 16% compared with a year earlier. According to a leading industry report, the preliminary figures accidents in the year show a significant improvement on the 10-year loss average – down 29%.

The good news doesn't stop there. Large shipping losses have also declined by 50% over the past decade, driven by improved regulation and the development of a more robust safety culture. Industry data for 2016 shows there were 2,611 reported shipping casualties during 2016. This is down 4%, which is good news.

However, some problems remain hard to crack. Machinery damage/engine failure is the main cause of casualties – and it seems worrying that something so seemingly binary, can be so problematic.

The recent downturn in the shipping economy could also be a factor, and many other studies have hinted at the fact that in hard times companies pull back on maintenance and the quality of spare parts. It seems that these effects could now be felt.

TOO EARLY FOR CHEER

So, while there is some good news, we shouldn't be putting the bunting up just yet. Some problems remain, and there are clear and concerning disparities by region and vessel type. According to the report, more than a quarter of losses in 2016 occurred in the South China, Indochina, Indonesia and Philippines maritime region, which has been the top loss hotspot for a decade.

Losses in this Asian region are bad and are almost double that of the next highest loss region – East Mediterranean and Black Sea. The Asian figures are at least holding steady – but it seems clear that something is wrong, and remaining wrong.

While losses are up year-on-year in the following maritime regions: Japan, Korea and North China; East African Coast; South Atlantic and East Coast South America; and the Canadian Arctic and Alaska.

Cargo vessels account for more than a third of 2016's losses. Passenger ferry losses are up year-on-year, driven by activity in South East Asia and the Mediterranean. Foundered (sunk/submerged) is the most common cause of all vessel losses, accounting for over half, often driven by bad weather. The number of losses resulting from fire/explosion is up slightly year-on-year.

FREAKONOMICS OF MARINE LOSS

Data and reporting are hugely important, but have you ever thought of the reasons behind marine accidents? Not the nuts and bolts, the OOW asleep or Chief using cheap parts – the more fundamental, deeper, perhaps even philosophical, reasons.

Are the rules of irrationality and moral hazard at work here when it comes to shipping problems? One study recently sought to look deeper, to examine the issues which are often overlooked – like the connection between money and marine accidents.

Obviously, there are several types of marine accidents, like a ship sinking or catching on fire. This new attempt at deciphering losses sought to divide accidents into two groups: "public" and "anonymous" accidents.

A public marine accident is a ship-to-ship accident or an accident around the vicinity of land (e.g. around ports, channels, or rivers). It is something you can't hide. While anonymous marine accidents are the opposite, there is nobody but the company's people in the vicinity of the accident. It is something of a mystery – especially the kind of casualty in which the crew have time to pack their suitcases into the lifeboats.

A NEW VIEW

Okan Duru of Nanyang Technological University, Singapore is leading this new view of accidents. His research is seeking to ensure the maritime industry can shine as bright a light on the anonymous shipping losses as it does the public ones.

According to Duru, the role of insurance is pivotal – and other studies have pointed out the irony that it is economically rational for an individual shipowner to take less care once insured because they know that the costs of any accident will be shared amongst all.

Of course, if all shipowners took this view the result would be extremely high premiums for everyone—an irrational outcome based on entirely rational decision-making. Bad owners make everything worse, constantly.

Though it should be remembered that such a view ignores the lost opportunities of no longer having the vessel to charter out. Though of course in depressed markets, that can be a bonus – one less ship to worry about.

THE MORAL HAZARD

The collective actions of shipowners can result in the misfortune of higher premiums for everyone and there is an obvious and constant moral hazard in insurance, hence the need for utmost good faith.

Insurers must be worried that protecting their clients from risks might encourage riskier behaviour. Then the question becomes whether shipowners really care about the misfortune of higher premiums, or whether losses become simply another form of fleet size management.

Emrah Bulut and Shigeru Yoshida performed an interesting study in 2012 entitled, "Are marine accidents really accidents". Their objective was to investigate the relationship between the freight market and marine accidents. Do marine accidents increase with the decline of freight rates, and vice versa?

Shipowners are concerned with the cost of everything, and the balance of freight rates and likelihood of charter. So, when it comes to whether owners would be tempted to make a problem vanish – then yes, some will. Alas, fraud is rampant and ships and cargoes are comparatively easily disposed of, either into the vastness of the supply chain or by being scuttled into the ocean depths. The Straits of Bab El Mandeb used to be popular for sinkings. The shallows of the Red Sea fall away so no pesky scuba divers – and the traffic flow meant a swift rescue. Perfect.

NUMBER CRUNCHING

So, did the academics find any correlation between the markets and marine losses? Did the study find that ships were mysteriously more likely to vanish in hard times? This is no Agatha Christie, you most likely can already guess the answer.

Indeed, looking at the freight rate data, the Baltic Dry Index, and plotting these against anonymous marine accidents from World Casualty Reports of Lloyd's Register the correlation suggested that most anonymous marine accidents are not 'statistically' accidental!

If we were playing Cluedo, it would seemingly be a case of Mr Shipowner in the drawing room with the lead piping! So, as we can perhaps see, strange things happen in hard times. There is perhaps some weak defence that can be given, perhaps pointing out that when a market collapses, the relative impact of operation costs (including seafarer wages and safety related costs) may increase and shipowners tend to reduce costs while taking risks.

However, it is still very optimistic and insufficient to explain the reason of mysteriously missing ships in the middle of seas without a rational reason except the economic stimulus. Sadly, it seems there is a structural motivation for not being moral or professionally careful at all, and insurance is the mechanism to transfer risk, but seemingly responsibility too. It could be that we need to rethink ethics, morality and more importantly incentives which drive people. Remembering there is no such thing as a coincidence!

PIRACY RESURGENCE CAUSES CONCERN

A resurgence of pirate activity in the Gulf of Aden and northwest Indian Ocean Region has raised concerns for the shipping industry, military authorities, UN bodies, insurers and regional bodies.

PERFECT STORM

Back a couple of years ago, it was felt that a "perfect storm" of navies, armed guards and savvy shipping companies and seafarers, were finally putting paid to Somali pirates. The actions at sea were turning the tide, and pirate attacks were on the wane.

Now it seems the same kind of storm is working in reverse. Experts now believe that a reduction in naval assets, the withdrawal of NATO from anti-piracy operations and the perception of lesser threat from piracy may have encouraged the recent spate of suspicious approaches, attacks and hijacks. Indeed, while the international maritime community is keeping a watchful eye there is no widespread panic yet. However, concerns are mounting in the businesses which rely solely on freedom of navigation in this key region.

The latest string of fresh piracy attacks off the coast of Somalia spells uncertainty for commodity dealers and consumers in East Africa. The shock hijacking of a commercial oil tanker, the "MT Aris 13", in March ended a five-year lull in piracy on the key Indian Ocean route around the Gulf of Aden. In early April, it is suspected Somali pirates seized an Indian dhow, "Al–Kausar", on its way to the port of Bosaso in northern Somalia's semi-autonomous Puntland region, while another bulk carrier, "OS 35", was hijacked a few days later.

NO REAL CHANGE

All this has sparked fears of a return of the menace that caused global concern at its peak between 2011 and 2013. How, we may ask, has it been possible that the tinder of piracy is seemingly so easy relit?

Well, research into Somali pirates has revealed that little has changed behind the drivers to commit maritime crime. A new report claims that to prevent piracy, a more nuanced approach to understanding the behaviour might be key to a solution, as the motivators to attack and seize a vessel remain unchanged.

There are a series of 'push' factors: a lack of opportunity on-shore, lack of faith in Government and Security Forces to protect the Somali fishing industry and 'pull' factors, such as unparalleled economic possibilities, Illegal, Unreported and Unregulated (IUU) fishing and an active role in defending Somali territorial waters.

In short, all the focus was on fixing pirates, not the actual causes of piracy. So, the minute there has been a lull in the measures to counter-piracy it shows how ineffective the anti-piracy strategy has been. There has been no change ashore, so there is no change at sea. The pirates keep coming because the conditions allow it, and this will seemingly be the pattern on repeat until things change in Somalia.

TERRIBLE TIME FOR TERROR

Obviously, piracy is just one small part of the overall maritime security picture. There were a number of issues which emerged last month which showed just how vulnerable shipping is when it comes to the threats facing it. Perhaps the most fragile part of shipping is the supply chain it sits within. There is a most complex, global jigsaw and the maritime industry helps all the parts to fit together. That is when all is working properly.

When things go wrong, the knock-on effects can be debilitating at best, and potentially devastating. The fact the world's biggest shipping company was at the heart of two very different kinds of problem last month show that shipping is becoming ever more visible and vulnerable.

The first issue arose when the vessel "Maersk Memphis" in the Port of Charleston was suspected of having a "dirty bomb" onboard in one of its containers. The local law enforcement was notified of the threat and the entire port had to be evacuated and locked down. It transpired it was a hoax…and a very expensive, frustrating one at that.

The next, as we have covered earlier in this issue, was the fact that Maersk was subject to a cyber attack. Now, it could well be that the perpetrators were just looking for big, high ticket companies. After all they also targeted other massive multinationals. However, it cannot be ignored that the attack paralyses parts of the supply chain. Maersk couldn't take bookings or inform clients about their cargoes and ships couldn't load or discharge at APM Terminals. This shows the power that attackers have over shipping, one tiny chink in the armour can cause massive disruption.

ROCKET ATTACKS TOO

Attacks on ships don't have to be clever or sophisticated of course. Time and again there have been major problems from insurgents battling in the Yemen. A dispute and conflict which all too often seeps out into the Red Sea.

Just last month, Yemen's Houthis fired a missile at a UAE registered vessel in the Red Sea. This was just the latest in a series of attacks on ships in the area, and there are growing concerns for safety in this important and busy sea lane.

The owners, said the ship came under attack as it was leaving the port of al-Mokha. The ship itself was not damaged. One crew member was injured according to a statement by a Saudi-led military coalition.

Commercial ships are seen as legitimate targets across so many conflicts, and of course the innocent crews get caught literally and metaphorically in the cross fire. From cyber attacks to piracy, and random acts of terror and violence, it is a worrying time of global instability and it will take a concerted effort on so many fronts to ensure that mariners are safe and the supply chain is protected.

SECURITY FOCUS CONTINUES

Last month it was announced that Giles Noakes, the head of BIMCO's Maritime Security team had sadly passed away. Building on Giles' legacy the trade association has appointed Phil Tinsley at the helm.

Tinsley is respected and recognised through his work with BIMCO and has a thorough understanding of port operations, personnel training requirements, compliance and management systems. Moving forward, Tinsley will lead BIMCO's work on maritime security, assisting BIMCO members in all aspects, including piracy, drug smuggling, stowaways, mixed mass migration and cyber security.

Angus Frew, Secretary General and CEO said: Maritime security continues to be an extremely important issue for our members, Phil has extensive specialist experience and unrivalled knowledge across the sector and is the right person to take our industry leading guidance and advice forward.

In recent years BIMCO has established itself as the acknowledged lead authority on many maritime security issues, particularly cyber security, highlighting the threats and urging the industry to adopt a risk based approach. Adding that under Phil's leadership, BIMCO will continue to highlight this critical area and develop valuable training resources to raise cyber risk awareness amongst seafarers and shore teams.

MONTHLY NEWS ROUND-UP

Here are some more of the stories which caught our eye last month.

Scrapping Comes Earlie - The average lifetime of ships is set to get younger, voters in an ongoing poll carried on this site overwhelmingly believe. With still six weeks to go in our latest quarterly MarPoll survey, currently 88% of respondents believe ships will be scrapped at an earlier average age. "Technological developments in high capital cost components will shorten the lifecycle to 15 years, the time of the third special survey," one voter commented. "Due to oversupply of vessels, older – and obsolescent – vessels are getting scrapped," another reader maintained.   https://goo.gl/KJ4LSa
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Confidence at Three Year High - Shipping confidence reached its equal highest rating in the past three years during March to May this year, according to the latest Shipping Confidence Survey from shipping adviser Moore Stephens. The average confidence level expressed by respondents to the survey was up to 6.1 out of 10.0 from the 5.6 recorded in the previous survey in February 2017. Increased confidence was recorded by all main categories of respondent to the survey with an overall confidence rating of 6.8. Concern persisted, however, over political uncertainty, overtonnaging in certain trades, depressed oil prices and a potential dearth of quality seafarers.   https://goo.gl/vRux6t
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Port States on Performance - At its 50th meeting last month, the Paris MoU Committee approved the 2016 inspection results and adopted new performance lists for flags and Recognized Organizations. These lists will take effect from 1 July 2017. The "White, Grey and Black (WGB) List" presents the full spectrum, from quality flags to flags with a poor performance that are considered high or very high risk. It is based on the total number of inspections and detentions over a 3-year rolling period for flags with at least 30 inspections in the period.   https://goo.gl/WvVmZg
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Owners Honouring Paris Accord - In the wake of President Donald Trump's announcement that the U.S. will withdraw from the Paris Agreement on climate change, the International Chamber of Shipping (ICS) has released a CO2 emissions proposal that is intended to bring shipping into line with the spirit of the accord. ICS suggests that as an "aspirational objective," shipping's total CO2 emissions should be kept below 2008 levels, then further reduced by an IMO-determined percentage by 2050. ICS acknowledged the existence of anthropogenic climate change and the role that shipping plays in that.   https://goo.gl/F2tpR1

LR Releases Unmanned Code - With a growing buzz around autonomous or automated vessels Lloyd's Register (LR) has launched an unmanned marine systems (UMS) code. LR said that it envisaged that UMS will enter widespread use in many maritime sectors in the near future. The LR UMS Code provides an assurance process in order to certify the safe design, build and maintenance of the vessel against an established framework. "The code provides a unique and valuable method of providing an assurance process for the safe design of unmanned marine systems in what is a rapidly developing area of the industry," said the Classification giant.   https://goo.gl/ENIoyg
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Shocking Lack of Connectivity - Barely six percent of seafarers have sufficient internet connectivity for video calls when at sea, despite often being away from their families for months, based on a Nautilus survey of nearly 2,000 seafarers and shipping industry leaders. With the United Nations recently suggesting that access to the internet should be a basic right, rather than a luxury the findings found despite nearly 88% of seafarers having some form of internet access at sea, most have very limited speeds and at high costs. Only 57% of crew have personal email access and just one third have social media access at sea (34%).   https://goo.gl/YzYjm3

Safety Step Change - Dr. Grahaeme Henderson, President of the U.K. Chamber of Shipping, has called for a step change in shipping safety. "Our shipping industry has a fatal accident rate 20 times that of the average British worker and five times that of construction," he said. "In the last 10 years globally, there have been 60 seafarer fatalities and 145 serious injuries from testing of lifeboats alone! "These are unacceptable statistics and we need to work together to make a significant step change improvement in safety. That is why, at the U.K. Chamber of Shipping, we are working relentlessly to improve the safety performance".   https://goo.gl/a7pV5j
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Hotel Chains Look to Yachts - Want to cash in your SPG and Marriott points for a yacht cruise? That may soon be possible, as Ritz-Carlton, Marriott International Inc.'s flagship luxury brand, announced a seafaring expansion Thursday. As part of the newly minted Ritz-Carlton Yacht Collection, the five-star hotel brand will launch three small, ultra-luxury ships with laid-back itineraries and spacious, open-concept design schemes that flip the traditional cruise experience on its head. The maiden vessel will pull out of the shipyard late in 2019, with bookings opening next May—marking the first time that a hotel company hits the high seas.   https://goo.gl/PDirA4

Qatar Woes Could Stick - A UAE government spokesperson warned that Qatar's diplomatic and economic isolation from its Arab neighbours could become a permanent state of affairs. The Saudi-led sanctions regimes include a ban on Qatari-flagged ships in Bahraini, Saudi, Emirati and Egyptian ports. "Qatar is not responding positively to [the demands]" said a UAE spokesman. "I think the whole idea would be to be ultimately, simply disengage from Qatar." He added, allied members of the Gulf Cooperation Council are considering Qatar's formal expulsion from the group – not right away, but as a future option. He ruled out any chance of military confrontation.   https://goo.gl/bdbSC5

Family Calls for VLOC Action - The families of the missing crew of the sunken Stellar Daisy have called for all converted ore carriers in South Korea to be inspected. Moreover, some are suggesting that every converted ore carrier in the world gets a check-up, with one family member telling Splash today: "It would be better for all converted ore carriers in the world to be inspected for the sake of marine safety." There are 28 converted ore carriers in South Korea, of which Polaris owns 18. Defects have been found on other Polaris ships in the wake of the Stellar Daisy sinking, including on the Stellar Unicorn, Stellar Queen and Solar Ember.   https://goo.gl/c8U4HH

OOCL Shares Soar - Shares in the parent of Hong Kong containerline OOCL touched highs not seen for more than five years today as renewed speculation about a possible takeover by Cosco Shipping sparked a rally on the local stock exchange. With just under two hours of trading to go, shares in Orient Overseas International Ltd (OOIL) had climbed 5.74% to hit HK$57.10, the highest level seen since April 2012. OOCL has repeatedly denied takeover talk this year. However, with Chinese president Xi Jinping in Hong Kong celebrating the 20th anniversary of the territory's reunification with China, many analysts feel the time is now.   https://goo.gl/6eoE1x
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Greek Shipowner Hold Sway - Greek publication Naftiliaki has trawled through mounds of statistics, confirming the country's largest owners have mainly stood their ground. There are presently 69 fleets under Greek control which top 1m dwt, three fewer than mid-2016, but the smaller number of owning companies control more ships and carrying capacity than ever. Further, there are a couple of companies a vessel or so short of the 1m dwt. Naftiliaki's 30th annual survey of Greece's largest operators reveals, the 69 tonne millionaires, between them run 2,838 ships of just over 289.8m dwt, some 58 ships and 16.9m dwt more than 12 months ago.   https://goo.gl/xmXF2a
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ECDIS Detentions Likely - Shipowners and managers need to be aware that port state control may be hot on ECDIS and electronic navigational charts (ENCs) from September this year. You could see ships detained for not having compliant ECDIS and updated ENCs – if the industry has not actively updated onboard safety navigation systems. The International Hydrographic Organization's new standards for ECDIS and ENCs comes into force from 1 September and the old standards will not be compliant from that date. Owners have less than three months to install ECDIS updates, replace not compliant equipment and train crew.   https://goo.gl/BfFTT7

Blame Levelled at Fitzgerald - The Philippine master of the NYK-chartered "ACX Crystal", which struck the starboard side of the US Navy destroyer "USS Fitzgerald" earlier this month, has claimed that the warship did not respond to warning signals or take evasive action. The captain, Ronald Advincula, filed his report to Japanese shipowner Dainichi Investment Corporation. The collision in Japanese waters resulted in the deaths of seven American navy personnel and badly damaged the warship. Advincula reported that his ship had signalled with flashing lights after the Fitzgerald "suddenly" steamed across its path.   https://goo.gl/iMD57V

Shipowner CO2 Plans Slammed - A host of NGOs have criticised the submission by four leading shipowning bodies on how the IMO should tackle CO2 emissions as not being ambitious enough. Ahead of next month's crucial IMO Marine Environment Protection Committee meeting in London, BIMCO, Intercargo, the International Chamber of Shipping (ICS) and Intertanko have submitted a submission, which contains two "aspirational objectives", namely to maintain international shipping's annual total CO2 emissions below 2008 levels; and to reduce CO2 emissions per tonne of cargo transported one kilometre, by at least 50% by 2050, compared to 2008.   https://goo.gl/Ebn7yH

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