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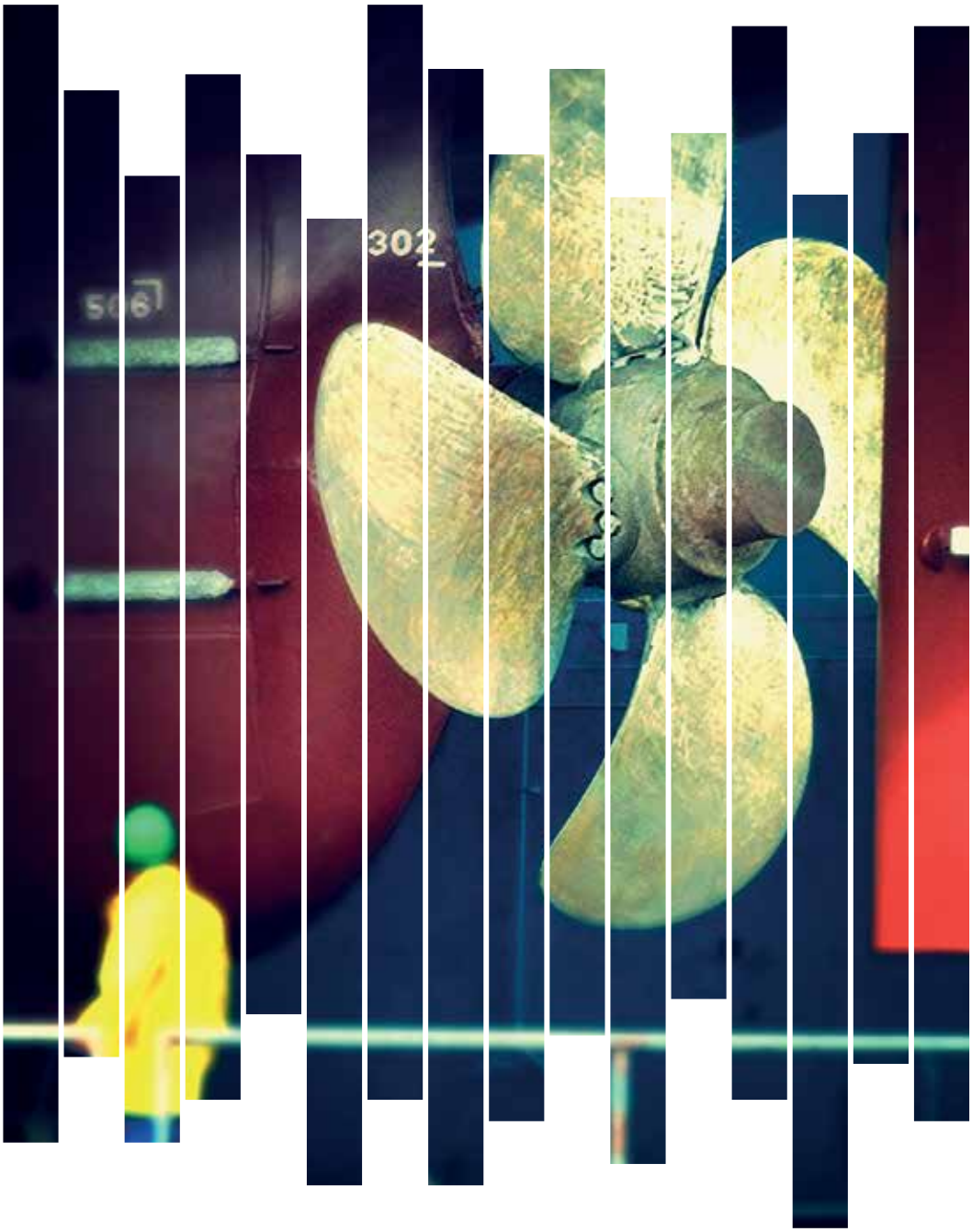

AUTOMATIC FOR THE SHIPPING PEOPLE

SEAFARER ABANDONMENT, WAGES AND WELLNESS | THE STATE OF SHIPPING
MORE CYBER WOES AND FEARS | CONNECTING SHIPS AND PEOPLE

SEACURUS

As cyber woes continue to threaten shipping we look at the fears faced by the industry as well as the problems of connectivity onboard. We explore the potential of autonmous vessesl and what the insurance implications may be and have an overview from the Paris Mou State of Shippng report.

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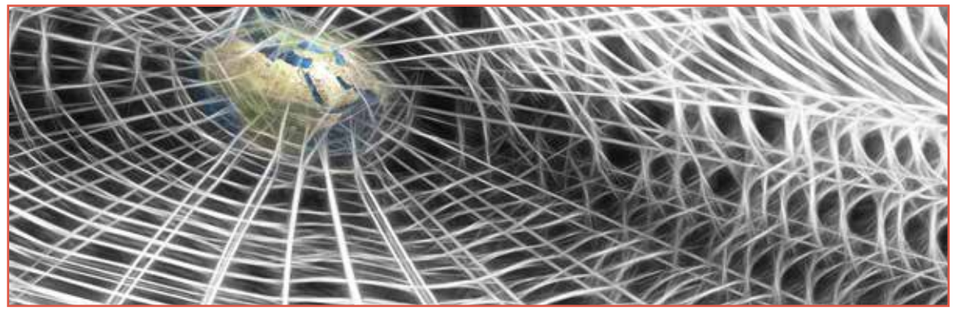

Welcome

As the summer silly season arrives, and the northern hemisphere heads to the beach, there remain a range of serious issues to ponder over. Alas when it comes to problems, the shipping industry has no off switch.

Perhaps the most troubling issue, because there is no clear answer, is that of the cyber threat facing shipping. Usually, whatever the problem there has been a fairly obvious fix. For cyber, there are no signs that owners are prepared, at all.

The fact that last month a "hacker" managed to access the satellite communications equipment of a slew of vessels, simply by searching online for them and then using terms like "password" and "12345", is deeply troubling.

Now of course, there are some very quick fixes. Having officers or equipment installers put a new password in would be a start. However, there is a cultural and practical angle to all this.

There are so few people left on ships, it is not wholly clear where the cyber buck starts or stops. This is something that needs working out, and fast. Who is the "information officer"? Time was when the Purser or the Radio Officer would naturally assume such roles, now they have gone from most vessels there is a definite void that needs filling.

The irony that technology has wrought its own problems is something that is not lost, but that is the reality and without a determined plan to address the issue, then there will be real trouble ahead.

Shipping does not have a great track record when it comes to quick fixes. While the Maritime Labour Convention (MLC) was all set to be the silver bullet which fixed all woes when it came to the wages of seafarers and their wellness. Just a few years down the line, it seems many of the old problems remain. Inside this issue, we look at the implications of owners still pulling the financial plug on their crews and vessels.

The problems for seafarers do not end there, there are more fundamental issues to address. One of these is the use of the internet onboard. According to a recent survey there is an appallingly low percentage of seafarers with sufficient internet connectivity for video calls when at sea.

Again, this is another irony of our connected age. As we edge closer to autonomous vessels, it seems incredible to think that our ships have never been more connected, the crews onboard are as disconnected as ever. Progress is slow, but with crews demanding what they perceive as a "right" of connectivity, then owners are going to have to address the issue. Otherwise the issue of recruitment and retention will become even more difficult to address.

Inside this month, we also look at the insurance implications for autonomous vessels. Lloyd's is painting the move to remotely controlled or self-realised ships as an opportunity. Does that tell the whole story when it comes to the risks posed?

We dig deeper and have cause for concern.

Away from the "new" problems of cyber risks and online access, last month shone light on some more traditional issues. The Paris MOU on port State control recently released its report on the state of shipping, and based on thousands of inspections, the report paints a picture of an industry trying hard, but not always getting it quite right. There are still the oldest of problems, with publications and corrections still seemingly the bane of the junior officers' life. The more things change the more they stay the same, alas they need to evolve…just like corrected light lists or charts.

We hope you find the latest issue of the Seacurus Monthly of interest, and the range of topics are of use to you. See www.seacurus.com for more details of the services, products and assistance we can deliver.

All the best

Capt. Thomas Brown
Managing Director

SEAFARER ABANDONMENT, WAGES AND WELLNESS

The Maritime Labour Convention (MLC) was all set to be the silver bullet which fixed all woes when it came to the wages of seafarers and their wellness. Just a few years down the line, it seems many of the old problems remain.

NEW ROUTE FORWARD

The changes which MLC ushered in were only the start of the journey towards better treatment for seafarers. There are new rules and directives popping up all over the place, and you could be forgiven for thinking there has never been a better time to be a seafarer.

Just last month the European Commission (EC) adopted a proposal for a Directive which aims at improving the working conditions on board EU-flagged vessels. The proposal transposes an agreement between social partners in the maritime transport sector into EU law.

This agreement in turn takes account of changes to the MLC, and provides further impetus to ensure that seafarers will in the future be better protected against abandonment by shipowners. The proposal will improve seafarers' protection in the event of abandonment, including when the ship owner fails to pay contractual wages for a period of at least two months, or when the ship owner has left the seafarer without the necessary maintenance and support to execute ship operations.

The new rules strengthen the right to compensation in the event of death or long-term disability due to an occupational injury, illness or hazard. It is not all a one-way street, the intention is to also improve the lot for EU port authorities, as the intention is to avoid problematic cases of abandonment. We shall see.

MARITIME MAGNA CARTA

With the EU embracing seafarers, a similarly positive stance was being taken in the Philippines. With Filipino seafarers celebrating new protections planned after the House of Representatives approved a "Magna Carta of Filipino Seafarers".

The bill, ensures working conditions and living conditions are aligned with Philippine law and maritime conventions. It is being seen as a major step forward for all workers in the Philippine maritime industry, whether on Philippines-registered or foreign-registered ships.

The aim is for legislation that guarantees key rights for all seafarers, and requires crew to have a right to medical care, safe living and working conditions, and fair terms, including salary.

Discrimination protection is also provided as well as working hour requirements and rest periods that are in law, and there are more key elements too. These include access to training and educational advancement at a reasonable cost, while ship-to-shore communication, email and Internet is required as a basic right to all seafarers…with one rather important caveat, "where available".

The full text can be accessed here, https://goo.gl/s9oV4d

A NECESSARY STEP

The "Maritime Magna Carta", or House Bill 4525 to give its official name, was prompted in part by the result of a study that found that Filipino seafarers were challenged most by fatigue, homesickness and work safety issues.

When one considers that seafarers contributed $5.5 billion to the Philippine economy, with a total of 229,000 Filipino seafarers employed across the world last year. Then, it is clearly big business and a very big deal.

Up until now, similar to the MLC, the various policies to protect the welfare of crew were scattered in numerous existing laws. It is hoped that by bringing the issues together in a combined bill will make it easier to police and to comply.

According to its supporters, the bill will have an immediate impact on the lives of workers in the Philippines, and will change the way Philippine maritime workers are treated domestically and internationally. While some owners have decried the bill and are concerned as to the cost.

ABANDONMENTS REMAIN

It could be tempting to think that with so many rules in place that seafarers' rights are now clearly and obviously protected, and that the problems facing crews will become a think of the past. Alas, the truth currently paints a rather different picture.

Just last month over 100 Indian sailors aboard 22 ships were stranded in UAE waters after having been abandoned by their shipowner employers. The crews were forced to seek out the assistance of the Indian Consulate General in Dubai.

The Indian government claimed the number of distress calls from Indian seafarers stranded in UAE waters had hit its peak this summer. The Indian consulate in Dubai has issued an advisory in the wake of being inundated with many shocking cases of crew abandonment in and around UAE waters. For the first time, the mission has named and shamed repeat offenders so that seafarers can see the most unscrupulous shipowners.

Shipping companies listed include Alco Shipping and Venus Ship Management. The consulate on its website — www.cgidubai.org — has also advised the seafarers to apply due diligence before accepting employment on certain ships and not to get recruited through unscrupulous agents. This is a big step by the Indians, and one which could shape things to come. It was not only Indian crews suffering, in UAE it was also noted that sailors from Sri Lanka, the Philippines, Myanmar and Pakistan were present on the abandoned vessels. Though their exact numbers were not known.

CLOSE TO HOME

Don't think for a second of this as some distant problem, it isn't. Far from it, the UK has seen a number of abandonments recently. One case has shone a spotlight on the difficulties of bring such cases to conclusion.

Seafarers onboard the Turkish owned, Panama flagged 1,596 GRT general cargo ship "Seccadi" experienced shocking conditions onboard the vessel which was detained in the UK port of Runcorn have been suffering atrocious conditions in British waters

They were reportedly paid wages as low as US$0.85 an hour. They were also found to be owed almost US$43,000 in back pay following checks by a maritime union inspector.

One aspect of the case which was particularly worrying was master fought against the crew. He resolutely resisted all assistance and support the local ITF and mission tried to give. He would have seemingly rather see the crew starve than get the help they craved. Once again, real life does not imitate the statue books, and people are left to suffer.

SUICIDAL TENDENCIES

Suffering is a key word when it comes to seafaring. Last month, in a startling announcement, it was claimed that suicide is now the biggest cause of death at sea. Safety may be the big focus, but seafarers are taking their own lives in increasing numbers.

Suicide rates among seafarers have more than tripled since 2014 and now outstrip other hazards as the most common cause of death at sea, according to figures from the UK P&I Club. Crew deaths attributed to suicide have increased from 4.4 percent in 2014-2015 to 15.3 percent in 2015-2016. Between 2001 and 2005, merchant seafarers scored the second highest level of suicides amongst all professions. Today, the rate of suicide for international seafarers is triple that of shore workers.

Thankfully there are efforts to try and remedy this appalling situation, and various organisations and charities are working to develop the emotional support that seafarers clearly need. From ISWAN's Seafarers' Health and Information Programme (SHIP), to the Sailors Society "Wellness at Sea" app, the tools are being developed to provide the skills, exercises and coping strategies to help seafarers deal with their emotions when they are experiencing stress or feeling low.

Whether that is enough, time will tell. There needs to be every effort expended to make life at sea better. Over the past decades there has been a steady erosion of the quality of life, crew sizes have been reduced, social interaction is harder to come by and we are then surprised that seafarers are suffering. The only positive is that they need not do it in silence.

AUTOMATIC FOR THE SHIPPING PEOPLE

With autonomous shipping comes a chance for owners to get rid of huge costs, to do away with crews and to focus on the only thing that matters…moving cargo. Will the shift to smarter ships be as smooth sailing as some hope?

AUTOMATION BECKONS

The world's first automated container ship is currently being developed by shipping company Yara in partnership with Kongsberg, and their ship 'Yara Birkeland' is set to launch in 2018 with a capacity exceeding 100 containers.

Although the project is scheduled to be completed in 2018, a phased period of a partially crew-operated service will continue until 2019. By 2020, the ship will be entirely automated and the bridge will be brought on land. Once the vessel enters this phase, it is expected that it will save 90% in costs through salary savings. It also has the potential to deliver substantial environmental costs.

While elsewhere, MacGregor and Rolls-Royce recently signed MoU to explore the impact of developments in autonomy for cargo ship navigation and cargo systems onboard container ships. Rolls-Royce director of digital and systems Asbjørn Skaro said that he believed "a remote-controlled ship will be in commercial use by the end of the decade and a common sight on the high seas by 2030."

95% of the required sensor technology, algorithms and communication methods exist already today, and the major challenges are in systems integrations and process implementations," says Jouni Lehtinen, director of R&D at MacGregor's cargo handling division.

HUGE POTENTIAL

The potential for automated logistics is enormous. Ships continually navigate the world on the ocean's shipping lanes, and it seems the time is ripe to do away with the human element and hand what some journalists call the "undemanding" phases of transit to the machines.

In one respected journal, the deep-sea passages were referred to as "generally procedural and predictable". A smooth sea never made a skilled sailor, so we can only hope that the undemanding ocean plays nice with the new kit.

Further into the future, say in twenty to thirty years, it is likely that the entire global supply chain will be automated. Once the major operators, such as Maersk, see that automated shipping is a safe and efficient means through which deliveries can be made, we can expect to see rapid and significant investment.

It is also likely to bring in other players. Shipowners historically got rich because they could do what no-one else could or would – they moved stuff and were willing and able to tackle the vagaries of the sea. When automation comes it will be a level playing field, and it will likely bring a logistics war as the likes of UPS, DHL, et al all begin to realise that with the right software they too can be shipping magnates.

SOFT FAILURE HARD FACTS

Mind you, it may not be quite that simple. Software is increasingly a major issue for new ships, and so it was something of shock to read that a brand-new vessel ran aground last month due to a "software error".

The problem in the software led to the brand-new hardware "Siem Cicero", lose steering and run aground on the River Ems after it headed off course in the Dollart-Bight. According to reports, the ship could no longer be steered and encountered the bottom, while the master was ordering tugs to tow the vessel into port. When in port, divers conducted a hull survey, but found no damage.

After the software mistake was corrected, a sailing ban which had been pronounced by the relevant authorities was lifted, and the ship left port bound to Halifax. We are sure the officers on the bridge had their hearts in their mouths for most of the journey…a far from "undemanding" experience.

What this shows is that ships are incredibly susceptible to these kinds of technology issues. Something which, hitherto, the crew and even the managers ashore would not really have to think too much about. We are, according to the Classification Society ABS, in a state where technology is outrunning our understanding.

FEARS OF THE FUTURE

The idea that technology could be getting ahead of those who run and operate vessels is a worrying one. Especially as technology is meant to be the answer to shipping becoming ever safer and more efficient.
Another aspect in all this is the insurance angle. What are the likely effects of automation on the market?

According to Lloyd's, unmanned vehicles can be defined as vehicles which are "controlled remotely by an operator, or autonomously operated. Autonomous vehicles are vehicles which are capable of driving themselves. In order to do this, the vehicle must be able to perceive its environment, make decisions about where is safe and desirable to move, and do so".

In a Lloyd's paper on "Autonomous vehicles" the Exposure Management & Reinsurance, and Emerging Risks & Research teams looked at the potential effects for insurers. They recognised that the insurance industry will have a huge role to play in whether the technology can ever come to the fore. The expertise in risk management displayed by insurers will be a factor in the adoption of autonomous and unmanned technology.

In an area where regulation and safety standards are yet to be developed, insurers can encourage prudent progress by making their own risk assessments and providing policies for responsible operators. There is an opportunity for insurers to engage in the transfer of new risks, making it possible for continued technological innovation. This technological innovation may give rise to new business opportunities, with corresponding opportunities for insurers.

SPECIFICALLY SHIPPING

While the overall Lloyd's Market view is one of grasping opportunities, the dedicated marine focus is perhaps a little more circumspect. The development of autonomous ships will force an entirely new regulatory regime.

In a presentation earlier this year to the Insurance Institute of London (IIL), Robert Veal, Research Fellow, Tutor In Law at the University of Southampton said that in principle, an unmanned vessel could legally be described as "a ship", although the UN law of sea convention article 94, SOLAS regulation 14 chapter 5, COLREGS rules 2 and 5, and STCW chapter 8 all pose certain problems. The problem relates to "contemporaneous human sentience". So, there will likely be as many philosophical debates as technical ones.

Andrew Bardot, Executive Officer at International Group of P&I Clubs noted the technology of unmanned ships was the easy part; it was the regulatory framework that was going to prove difficult. Bardot said, "technology moves quickly, regulation moves slowly". He also noted that, although the lack of human error might be a silver lining for marine underwriters, it might turn out to be "a bit of a headache for liability underwriters".

There is so much work still to be done, and translating the realities of the seas and of collision avoidance into artificial intelligence is no mean feat, would a vessel without an option to avoid a collision have to choose the least dangerous or polluting cargo to collide with? Would unscrupulous owners change the AIS details, so they would be less likely to get hit? There are many questions, in time we will all have to work hard at answers.

MORE CYBER WOES AND FEARS

There is seemingly no escape from the impact that cyber risks are having on shipping. While there had been a collective industry "head in sand", now it seems the wake-up calls are coming thick and fast.

ATTACK THE BACK DOOR

Above all the various cyber incidents which have been highlighted in the past month, there is one which has stood above all others as showing how vulnerable ships are as the hackers crept through the "back door".

While the column inches were focusing on the fallout of the Maersk ransomware attack, a French IT security researcher, or "ethical hacker" managed to gain access to the "Very Small Aperture Terminal satellite" (VSAT) communications systems on a range of vessels.

The hack was announced on Twitter by @x0rz (https://twitter.com/x0rz), and on finding that access was possible, he could not contain his excitement. "Duuuuuude, default creds everywhere," he gleefully posted. Adding that he managed to connect with administrator privileges to the ship.

Once the VSAT is infiltrated, an attacker can easily view call logs, upload firmware and modify system settings. Moreover, the VSAT system can be connected to other devices onboard and used as a gateway for access to any vessel's wider onboard network. This could potentially allow a hacker to cause considerable damage.

DANGER ON THE WEB

The hack used the Shodan search engine, which allowed the hacker to search for ships with VSAT communications systems. Once found, they were accessed via default login information available on the internet.

Incredible as it may seem, the default, factory login details were published online and so when the terminals were identified through the search engine, then it was merely a case of typing the username and password in.

Shodan is often termed as the "search engine for hackers", and has been called "the world's most dangerous search engine". Unlike other search engines, it looks for specific information that can be invaluable to hackers. Since almost every new device now has a web interface it is possible to access innumerable web-enabled servers, network devices, home security systems, and even shipboard systems.

The search engine which trawls through the "internet of things" can find webcams, traffic signals, video projectors, routers, home heating systems, and yes, even maritime VSATs. If it has a web interface, Shodan can find it, and that is very worrying indeed.

BORNE OF STUPIDITY

Lars Jensen, the founder of CyberKeel, called it a hack "born of stupidity". Many in the industry expressed frustration on learning that vessel owners had installed VSAT equipment, but not bothered to change the default factory settings.

Jensen stated that "There is only one technical term appropriately describing such an act, and that is stupidity". Examples such as leaving a password as "12345", would surely count as gross negligence in the event of an accident?

There can be no justification for such a dereliction of duty, and actually it is beyond stupidity. Doing something stupid implies some lack of knowledge, but that surely cannot be the case as cyber issues have come to the fore.

This seems more like a case of laziness and a manifest failure to plan. Ships are not geared up to manage passwords well. With a transient workforce, and with a lack of "ownership" of technical equipment, then it can be all too easy to fail…to leave the passwords as defaults, etc, etc.

BLAME GAME

As one might expect, the satellite communications provider at the centre of the incident was quick to lay the blame squarely on the client and stressed that it is the shipowner/operator that is responsible for password management.

The company claimed that terminals are delivered with default administrative credentials such as passwords, as is customary with most communications hardware. They went on to add that VSAT users are urged to change passwords during the installation and frequently afterwards in accordance with general password "best-practice" processes.

While it may well be standard practice in the communications industry to deliver products such as VSAT with default credentials, surely there needs to be a better way? Relying on clients to start the security process seems like an invitation to fall at the first hurdle, as has been clearly illustrated.

If a vessel operates with a VSAT system using factory settings, it is imperative they are changed immediately, and that processes, procedures and means of managing passwords are in place on the vessel and within the company. After all, it's as easy as 123… if you don't change your passwords

SPOOF ISN'T FUNNY

While the blame game continues in the VSAT hacking scandal, there have been plenty of other cyber incidents to contend with. One such event saw around 20 vessels affected by GPS spoofing in the Black Sea.

Ordinary GPS signals, like the ones that guide a vessel's navigation system, come from satellites orbiting the earth. But it's possible to create a fake GPS signal, which completely dupes the navigation system into thinking it is somewhere else, or on a different heading, course or speed.

As long as the GPS spoofer emits a counterfeit signal slightly stronger than the real GPS signal, the navigation system falls for it hook, line, lat, long and sinker. It is then only the keen eye of a professional navigator that can stop the worst happening.

Sadly, all too many seafarers are beholden to technology and do not find it easy to question the data they are given. For all the talk of autonomous vessels, if navigators aren't the last line of defence, then ships are already driving themselves!

The Black Sea spoofing saw vessel GPS positions leaping all over the place, with some suspicion that Russian hackers may have been involved. With masters constantly checking their equipment, and finding no errors, they perhaps forgot that rubbish data in means rubbish data out. The GPS systems were operating perfectly well, it was simply the data in which was wrong.

You can find more details about GPS spoofing here, https://youtu.be/ctw9ECgJ8L0

NEW CYBER GUIDANCE

Maritime safety experts suggest that human failure is still top of the agenda when it comes to improving safety. However, in an age where ships are becoming more complex, is technology partly to blame?

There are certainly some who believe that the complexity with ships has reached a point where the old shipboard roles and responsibilities do not really work. Think of the password issue – who is in charge of the new equipment? Is it the Electrotech? Is it the navigator? In a crewing system which has done away with Pursers and Radio Officers, it seems there is a huge and worrying gap.

Thankfully there is no shortage of guidance on maritime cyber issues. BIMCO has been amongst those leading the charge. As they have released a new set of guidelines with other trade bodies, such as CLIA, ICS, Intertanko and Intercargo, they boldly state that, "ignorance is no longer an option,'

The second edition of The Guidelines on Cyber Security Onboard Ships includes information on insurance, and how to effectively segregate networks, as well as new practical advice on the ship to shore interface, and cyber security during port calls. It can be accessed here, https://goo.gl/LUwEuH

CONNECTING SHIPS AND PEOPLE

A recent survey found an appallingly low percentage of seafarers with sufficient internet connectivity for video calls when at sea. As we edge closer to autonomous vessels, there is an irony that while ships have never been more connected, the crews onboard are as disconnected as ever.

CREW CONNECTIVITY

The survey was conducted by maritime union Nautilus International, and it found that just six percent of seafarers have sufficient internet connectivity for video calls when at sea. This is compared to a whopping 91 percent of U.K. and 85 percent of European homes.

The lack of connectivity shows that broadband access is a complex challenge. The United Nations recently suggested that access to the internet should be a basic right, rather than a luxury. It seems, seafarers are not being afforded the same human rights as the rest of the population.

The Nautilus survey included 1,790 crew members and 18 companies representing their entire fleets, and it showed that despite nearly 88 percent of seafarers having some form of internet access at sea, most have very limited speeds and at high costs.

In addition, only 57 percent of crew have personal email access and just one third have social media access at sea (34 percent), leaving the majority of seafarers isolated from friends and families. Nearly two-thirds of respondents (63 percent) also suggestethey would consider moving companies if the new company provided better quality internet.

DISTRACTION DIMENSION

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industry leaders surveyed by Nautilus, one in ten admitted they don't provide their employees with any access to the internet (14 percent).

The two biggest reasons given were fears crews would access illegal or adult content (83 percent) and the potentially high installation costs (83 percent).

The survey also found that nearly two-thirds of respondents (58 percent) were concerned the provision would result in a distraction to work. Results also show that some companies believe social interaction onboard is affected by the provision of enhanced communications.

So, we can see that the biggest barriers to connectivity are cost and the fear that crews will look at things they shouldn't. It seems astonishing that answers cannot be found, if they are the only reasons to deny crews a basic human right.

Nautilus hopes the survey will highlight just how poor connectivity is for seafarers. Indeed, with very limited and regulated shore leave, increasing workloads, reduced crewing levels and reductions in the quality of social life on board, the union strongly believe it is essential for the well-being of all seafarers that they have free, high-speed internet access.

AWARENESS OF DISCONNECTION

The survey is part of Nautilus International's campaign for crew communications, indeed the union is keen to further raise awareness of the current communications provision, and is hoping that shipping companies will act to provide internet access to all, free at the point of use.

Some of the barriers to connectivity are seemingly simple to overcome, and with a new focus on maritime cyber security there should be sufficient ways and means to ensure crews cannot access adult or illicit online materials.

If crews are trusted with navigating multi-million-dollar vessels, they should be trusted to navigate the internet too. Seafarers want to have access to social media – and their demands mirror the new stance of governments and the United Nations.

Aside from the human right to connectivity, there is real pressure from the latest generation of seafarers. They want to be online, which means shipping must be ready to respond – there can be no ignoring the issue.

TIME TO LEAD

The argument against connectivity that shipping companies seem to make is the fact that social media and access to online communication can somehow rip apart the delicate social fabric onboard vessels. There seems to be a fear that crew using personal devices or spending time alone in cabins talking to home might be detrimental to the vessel. The fear that seafarers will choose to talk to home instead of each other.

Now, it is true that there is less interaction onboard than there was in the past. However, this is as much to do with the removal of the ship's bar and whittling at crew numbers than it has with the internet. Less people = less interaction, surely the sums are that simple?

Stating that access to social media is the answer to the problems of onboard activity seems to suggest the wrong questions are being asked. Alas, there seems to be a generational divide, the senior executives in most companies grew up offline and have little time for the world online.

To ignore what makes employees tick is poor leadership, and especially when they disparage seafarers who want to have internet access. This is about performance and giving people what they want and need. Autonomous ships may well be coming, but in the meantime, there is still a very real need to recruit.

ON THE MARGINS

Welfare charities talk of seafarers as being found at the "margins of society". Which makes it especially saddening to hear old school views seeing the issue of connectivity as a nice to have, rather than a vital aspect of seafarers' lives.

The leading maritime manpower nations are also the same countries which are embracing the internet, and with it social media at an almost insatiable rate. India will have 500 million internet users this year. While the Philippines has the fastest growing internet population in the world, experiencing 531% growth in the last five years.

Seafarers may well be found at the margins, but they ultimately reflect what happens at home. They will desperately want to reflect what people back home do. The more of their family and friends which are online, then the more they will want and need to be connected too. So suddenly the issue becomes one of management, and of being able to attract and retain good people – that is something which has to be taken seriously by any company.

You can find more about the Nautilus survey here, https://nautilusint.org/media/1674641/Connectivity_at_sea_Nautilus_whitepaper.pdf

THE STATE OF SHIPPING

The Paris MOU on port State control recently released its report on the state of shipping. Based on thousands of inspections, the report paints a picture of an industry trying hard, but not always getting it quite right.

THE PARIS DATA

According to the Paris MOUs latest report, 2016 shows a large increase in the refusal of access ("bans") within the region: 20 bans compared to 11 in 2015. The detention percentage has also increased from 3.4% to 3.8%. The number of detainable deficiencies has increased 7.3% compared to 2015. The number of inspections carried out was 17,840, this is slightly less than in 2015 (17,877).

In 2016 Port State Control Officers in the Paris MoU region have performed a Concentrated Inspection Campaign (CIC) on Maritime Labour Convention (MLC), 2006 in the period from 1 September to 30 November 2016.

The aim of the CIC was to verify that the minimum standards for working and living conditions have been implemented on board and thereby creating more awareness. The Paris MoU is satisfied with the overall result. A total of 3674 questionnaires for the CIC have been completed during regular inspections. The campaign resulted in 42 detentions (1.1%) directly linked to the MLC, 2006 requirements.

Over the past three years most ships have been banned for multiple detentions (46). Five ships have been banned for a second time. A significant number of ships (five) were banned for failing to call at the indicated repair yard. The one remaining case involved a ship which "jumped the detention", by sailing without authorisation. Over a three-year period, the flags of the Republic of Moldova, the United Republic of Tanzania and Togo have recorded the highest number of bans.

WHITE, GREY AND BLACK

Looking at the Paris MoU "White, Grey and Black List" the overall situation regarding the quality of shipping seems to be stabilising. Although some flag States have changed lists, the total amount of 42 flags on the "White list" is similar to 2015 (43).

This year there were no new entries to the "White List". The Republic of Korea moved from the "White List" to the "Grey List". Saint Vincent and the Grenadines moved from the "Black List" to the "Grey List". Palau and Vanuatu moved from the "Grey List" to the "Black List". In 2016 there were 12 flags on the "Black List" (11 in 2015), with the Republic of the Congo recording the worst performance.

Recognized Organisations (ROs) are delegated by flag States to carry out statutory surveys on their behalf. For this reason, it is important to monitor their performance.

For several years the Paris and Tokyo MoU have made a joint submission to IMO addressing the correlation between flags and the ROs working on their behalf. The results are also published in the Paris MoU Annual Report. It is useful information for the industry in determining the risks posed by sub-standard shipping.

After a slight decrease of the total number of inspections in 2015 to 17,877 the number has decreased again in 2016 to 17,840. Since 2011 (the start of the New Inspection Regime, NIR) the average detention percentage has shown a small annual increase until 2013 (3.8%), after which a significant decrease was recorded in2014 (3.4%) with a same level in 2015 (3.4%). However, this year an increase to 3.8% was recorded. This is the highest level since the introduction of NIR in 2011. The level of detainable deficiencies has also increased this year to 3,769, a 7.3% increase compared to 2015.

STAT ATTACK

As the states with the highest number of ship calls Spain, Italy, United Kingdom, the Netherlands, Russian Federation, Germany and France, together made up over 51% of the total number of inspections, but each member contributes to the inspection efforts by means of the fair share mechanism. High Risk Ships have been operating mostly in the southern part of the region, while Low Risk Ships have been calling in the north-western part of the region.

With 1,213 inspections and 227 detentions the ships flying a "black listed flag", had a detention rate of 18.7%, which is considerably higher than the 11.2% in 2015 and 11.7% in 2014.

For ships flying a "grey listed flag" the detention rate was 5.5%, which is significantly lower than 8.6% in 2015. For ships flying a "white listed flag" the detention rate was 2.6% which is at the same level as 2015 (2.5%) and 2014 (2.4%).

The five most frequently recorded deficiencies in 2016 were "ISM" (4.4%, 1838), "fire doors/openings in fire-resisting divisions" (2.6%, 1078), "nautical publications" (2.5%, 1049), "charts" (2.2%, 922) and "oil record book" (1.7%, 706). These are consistent with 2015.

The full report can be accessed here, https://www.parismou.org/2016-paris-mou-annual-report-%E2%80%9Cseafarers-matter%E2%80%9D

LOOKING FORWARD

As ever, there is no rest for the regime and looking ahead as part of the next round of port State concentrated inspection campaigns (CIC), the next close look will be on Safety of Navigation and Life Saving Appliances.

This is due to start on 1 September 2017, and the campaign will have a global approach, with inspections conducted by Paris MoU, Tokyo MoU, Black Sea MoU, Indian Ocean MoU and Vina del Mar.

A checklist will be published 4 to 6 weeks prior the start of the campaign. The main deficiencies last time round were found resulting in PSC detentions were publications out of date, light and radio lists missing or expired, lack of updating.

So, owners are advised to make sure the right books are onboard, and that all the publications are up to date and corrected. In the modern digital age, it seems there is a temptation to take the eye off the ball when it comes to old school book shelves, lists and charts. Time to get the Pritt stick out.

MONTHLY NEWS ROUND-UP

Some of the maritime stories which also caught our eye in the past month.

Film on Cyber Security -- Be Cyber Aware At Sea, a short film, made all the more topical in the wake of the recent Petya attack that hit Maersk has received its premiere. The event took place at the UK Chamber of Shipping. The film is now available for anyone to view for free. https://goo.gl/EzC3yr

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Shell of a Bad Deal -- The crew of a North Sea supply ship hired by Shell are being paid less than the minimum wage, according to industry watchdogs. Filipino crew aboard the "North Promise" reportedly earn as little as £2.60 an hour. The supply ship, which is owned by Gulfmark, was contracted to Shell for two years in April. https://goo.gl/YNbDp8

Investigation into Abuse -- Human Rights at Sea has published an investigative report into the abuse of seafarers on board a UAE-flagged vessel moored offshore the UAE coast owned by Alco Shipping Services. Members of the crew of the tanker "MT IBA" told Human Rights at Sea that they have been threatened with criminal proceedings. Their basic human rights breached, with a deprivation of liberty, lack of protection for their health and bodily integrity, lack of protection for their right to life and lack of family life due to their enforced retention on the "MT IBA". In addition, for the last six months the crew have been denied access to medical treatment. https://goo.gl/sFC98s

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New Effective Crew Project Launched -- The Effective Crew Project, has been launched to examine the benefits and challenges associated with the implementation of either a stable or a fluid crewing strategy on board merchant vessels. The three-year project started in April 2017 and will be completed by March 2020. The research aims to develop findings from a pilot study and will draw upon best practice from stakeholders within the maritime industry. The aim is to see how certain practices may be implemented into the maritime industry to improve three core areas, safety, costs and efficiency. https://goo.gl/qRERmx

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Club Action on Cyber Risks: P&I Club Gard has been urging its shipowner members to take a holistic approach to cyber security. The Club urges steps that involve 3 key areas. These are People – focus on knowledge, behaviour and mind-set Raise awareness, provide training and communicate the risks at all levels of the organisation. Processes – focus on policies, procedures and risk assessments. Align cyber risks with existing security and safety risk management requirements contained in the ISPS and ISM Codes as included in company policies, and IT systems – focus on firewalls, antivirus and encryption. Ensure there is adequate protection at all levels. https://goo.gl/gCeWAv

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Talking About Safety -- SWAN and CHIRP have entered into a MoU to cooperate in improving seafarers' safety and welfare. By working together, ISWAN through its SeafarersHelp will assist seafarers to complete the initial report to CHIRP highlighting unsafe working practices. This will be particularly helpful for seafarers whose first language is not English. ISWAN regularly hears from seafarers about unsafe working practices and in future will assist seafarers to complete the initial report to CHIRP highlighting lessons learned. By working together in this way, CHIRP and ISWAN will help to ensure that seafarers' safety and welfare are given a high priority. https://goo.gl/uby8Lx

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Updated Wreck Notices -- The UK Maritime and Coastguard Agency has issued an updated notice, advising on the roles and responsibilities of the Receiver of Wreck and the law relating to wreck and salvage, and the responsibilities and rights of wreck owners and salvors, and how to report wreck material. In the UK, the Receiver of Wreck is responsible for processing incoming reports of wreck and ensures that the interests of both salvor and owner are taken into consideration by: researching and establishing who owns the wreck liaising with the finder and owner, and other interested parties such as archaeologists and museums https://goo.gl/zMyi4T

Nigeria's Piracy Losses -- The Nigerian government claims it loses an estimated sum of $1.5 billion to piracy monthly. Yakubu Dogara, speaker of the house of representatives, made the claim while opening a public hearing on the bill to amend the maritime operations coordinating board act. The speaker said according to 2012 reports, the number of vessels attacked in the West African sub-region had reached a world record high. He said the increasing attacks in the Gulf of Guinea has given countries in the sub-region a negative image. https://goo.gl/XtxNSS

Stowaways Found in Boxes: -- Canadian authorities are treating the discovery of four men hiding in a shipping container at the Port of Montreal as a case of illegal entry, officials told Reuters. The men, in their 30s, suffered dehydration but no severe injuries and were taken to hospital, said Stephane Smith, a spokesman for Urgences Sante emergency services. Local media and a source familiar with the matter said the men were from the former Soviet republic of Georgia. The men were hiding in a container found on the "OOCL Montreal" vessel, which arrived at the port after making stops in Hamburg and Antwerp. https://goo.gl/g8Ps8X

Latest ReCAAP Piracy Report -- The Regional Cooperation Agreement on Combating Piracy and Armed Robbery against Ships in Asia Information Sharing Centre (ReCAAP ISC) has released its half-yearly report. With 36 reported incidents reported by government enforcement agencies in the region, ReCAAP stated the year to date had seen the lowest total number of incidents since 2007. Of the 36 reported incidents, 27 were armed robbery against ships, two were piracy, seven were kidnaps for ransom. The number of incidents was a 22 percent decrease compared to the same period in 2016, and 41 percent decrease compared to the same period in 2013. https://goo.gl/Tr9uTL

Global Piracy Figures Released -- The IMB has published its report on piracy and armed robbery for the second quarter of 2017, covering the period from 1 January to 30 June 2017. The report highlights continuing decline in the number of incidents of maritime piracy. 87 incidents have been reported in the first six months of 2017, with 63 ships boarded, eight attempted attacks, four ships hijacked and 12 ships fired upon. This represents a decrease from 2016 when there were 97 reported incidents in the same period. In relation to crew, the IMB reports that 63 crew members were taken hostage, three injured, two killed and 41 kidnapped. https://goo.gl/SU2oLW

Ships Efficiencies Being Lost -- Recent improvements in the design efficiency of new ships went into reverse last year. According to the CE Delft study the average design efficiency of new bulk carriers, oil tankers and gas carriers was worse in 2016 than in 2015. The share of new ships complying with future efficiency standards also decreased. The design efficiency of containerships and general cargo ships appears to be stagnating after a period of improvement. The data also confirms a considerable proportion of new ships are over-complying IMO design efficiency standard – known as the EEDI – indicating that the standard's requirements need strengthening. https://goo.gl/PJWvrc

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Ballast Water Reprieve -- Shipowners have gotten a two-year reprieve on the retrofitting of ballast water treatment systems as the IMO has decided to delay the implementation of the convention. With the imminent entry into force of the international Ballast Water Management (BWM) Convention on 8 September 2017, IMO's MEPC reached an anticipated compromise agreement on pushing back the regulatory enforcement date. Ships constructed after 8 September 2017 must still comply on delivery from the yard, but existing ships in general must comply by the first International Oil Pollution Prevention (IOPP) certificate renewal after 8 September 2019. https://goo.gl/EHQn3s

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IKEA Challenges Owners -- Giant furniture retailer supports incoming sulphur regulations, says non-compliance would mean breach of contract. IKEA has called on shipping lines carrying its goods to comply with new IMO sulphur regulations or lose its business with the furniture retailer. Scott Hemphill, global sustainability developer at IKEA, said that if a shipping line is found not to be compliant with this legislation, this would represent "a material breach of terms and conditions resulting in business consequences up until termination." https://goo.gl/fuxJHb

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Greeks Rise Once More -- Greek shipowners and Greek-controlled shipping companies appear more active over the recent period in the second-hand market and new orders sector, apparently judging that brighter prospects are on the horizon in terms of asset play and daily rates. New orders by Greek-controlled shipping mostly involved tankers, whereas bulk carriers and used tankers dominate the second-hand market. By all accounts, the next major transaction on line is by John Angelicoussis' Maran Tankers, which is a few signatures shorts of finalizing a deal with Korea's Daewoo Shipbuilding and Marine Engineering for the construction of four VLCCs. https://goo.gl/bBtDPA

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