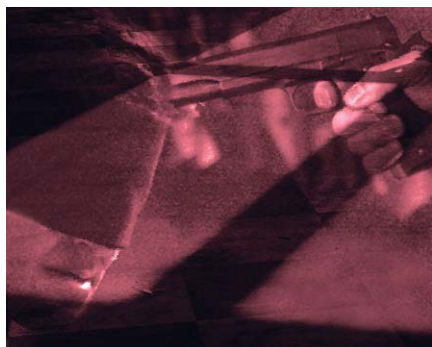


Kidnapping & Hijack



Shipowners and managers can now insure themselves and their crews against the escalating threat of pirate kidnappings and ransom demands thanks to a new Lloyd's insurance policy just introduced onto the market. But how serious is the menace and is enough being done internationally to counter the threat?

Juma Muita is a rugged seafarer, a burly Tanzanian who has navigated commercial vessels through some of the world's roughest waterways. But mention one particular stretch of ocean to him and his tough demeanor quickly gives way to something resembling fear.

"I'm used to the life at sea," Muita said from the bridge of the Semlow, a 187-foot cargo ship as it was undergoing repairs recently in Mombasa, Kenya. "I've been everywhere, and I'll continue to go everywhere, just not anywhere near Somalia."

It was 35 miles off the Somali coast, somewhere in the rough waters southeast of El Maan, just north of Mogadishu, that Muita experienced his scariest moment in two decades at sea. It was June 2005, and he was the chief engineer onboard the Semlow, transporting 850 tons of rice for the World Food Programme to a port in northeast Somalia.

During the voyage, heavily armed pirates stormed aboard with guns blazing, and captured him and the nine other crew members.

"These Somali pirates are worse than the pirates we read about in history books," said Muita, a 50-year-old father of three. "They are better armed and they want ransom, not just our goods."

Piracy attacks are not new. They have been the scourge of commercial shipping for hundreds of years. But the menace of attack should seem out of place in today's shipping industry when you consider the advanced technology onboard ship and the determination of the international community to protect seafarers' lives while at sea.

So in light of these attacks is it any wonder the insurance market has come into the debate?

According to the UK-based insurance intermediary Seacurus, and Cooper Gay & Co, one

of the largest privately-owned insurance and reinsurance broking groups at Lloyd's of London, CrewSEACURE has been developed in response to the escalating number of armed attacks against vessels resulting in the taking of crews and passengers as hostages and extorting ransoms for their release.

The insurance policy provides ship owners with the immediate support of specialists in kidnap for ransom negotiation and maritime risk management. In addition, all prospective assureds receive access to expert advice, before and after inception of the policy, on counter-piracy measures and contingency planning arrangements to reduce their potential exposure to pirate attacks.

Captain Thomas Brown, Managing Director of Seacurus, said: "Arguments over the pros and cons of the availability of this type of insurance coverage are well known. However, shipowners have the right to protect themselves and their crews against the devastating effects of such attacks."

Latest statistics issued by the International Maritime Bureau, the UN-backed agency charged with fighting crimes related to maritime trade and commercial fraud, indicate that global piracy increased slightly in the first quarter of 2006, rising approximately 8% when compared with the same period in 2005. The actual number of reported piracy attacks in the first three months of 2006 was 61, a modest increase over the 56 attacks noted in the same period of the previous year.

"We are pleased to see that the overall level of piracy is not rising dramatically. We attribute this plateau in attacks to increased law enforcement activity in high risk areas, awareness, and anti-piracy watches by shipmasters in risk-prone areas," said IMB Director, Captain Pottengal Mukundan.

Despite the welcome news that the volume of marine piracy is levelling, the IMB warns that shipping is still threatened by piracy in numerous regions around the globe. Somali and Nigerian waters remain particularly dangerous.

"IMB is calling on law enforcement agencies in Nigeria to increase their efforts to combat piracy. Somalia has no national law enforcement infrastructure and we call upon the Coalition Naval forces in the region to continue their efforts to pursue pirate vessels and detain the pirates. Recent actions by US Naval and other units have been most helpful in bringing some of these pirates to justice," said Capt Mukundan.

Information gathered by IMB indicates that the potential for violence remains great, with 63 crewmembers taken hostage in the first quarter of 2006. This figure is more than double the number for the same period in 2005. Furthermore, to the end of March 2006, 13 crewmembers have been kidnapped for ransom.

"In addition to gathering statistics, the report also indicates the efficiency of law enforcement in combating piracy. Our findings indicate that actions taken by law enforcement agencies, notably in the Malacca Straits and India, have made a major contribution to keeping these figures down. Co-operation between Indonesia, Malaysia and Singapore is now better than ever before and has played a key role," added Captain Mukundan.

Authorities in Indonesia have demonstrated an increase in their efforts to defeat piracy by way of Operation Gurita, which has provided a show of force in known hot spots via several intelligence-led actions. These efforts have yielded positive results, with numerous gangs of pirates being arrested.

There were no incidents reported in either Malacca Straits or India in the first quarter of this year. →

Assessment of the attacks shows that it is money, not cargo, that the pirates are after – ransom from the ship owners, either for themselves or to help finance the array of clan-based militias on land. And as Capt Mukundan testifies, they are getting it. “In most cases the ransoms are paid. The amount of money demanded depends on the area but you are looking at hundreds of thousands of dollars,” he told SMI.

“In South East Asia the attacks are mainly aimed at the smaller vessels but off Somalia you have larger vessels that are attacked. There have been instances of tankers and bulk carriers of thirty thousand tons or more being hijacked. In Somali cases, the attacks can take place hundreds of miles offshore in international waters,” Capt Mukundan added.

The attack process is simple. Pirates patrol the area in up three mother ships and launch a small pirate craft when a target vessel steams past. They can have up to seven people onboard armed with automatic weapons and rocket-propelled grenade launchers.

“As they draw up close to the vessel, they fire on the ship’s bridge windows to try and force it to slow down or to stop. If the ship does slow down it will be boarded and taken into Somali waters. Once inside the 12 mile limit the pirates are safe because no chasing naval vessel will enter. They then begin the negotiations for the release of the hostages and that can take up to three weeks and more,” he said.

During the negotiation period, anything up to 15 pirates will remain on the ship anchored in Somali waters, living off the crew’s rations.

But what can the international community do to tackle the situation?

“Well, in South East Asia it’s easier because the international community can put pressure on the governments there to act, and when action is taken the frequency of piracy attacks comes down. This is the best answer to piracy. When law enforcement go in they use their weapons, they catch these pirates and they put them on trial and they put them away. That is a deterrent.

“We have a problem with Somalia because there is no effective national government there and no national law enforcement infrastructure. So there’s no-one we can turn to when these guys abduct crew members. At the IMB we have been asking naval units from the coalition forces, a number of whom are stationed off the horn of Africa, to intervene in cases of piracy and they have done so. But the spate of attacks is rising. Last year there were 35 serious attacks off Somalia. These are not muggings, they are all aimed at trying to abduct crew members, some of them succeed, some don’t.”

So what should a crew do if they find themselves under attack?

“As far as possible they should not slow down or stop because if you slow down they will definitely board the ship. Recent incidents have



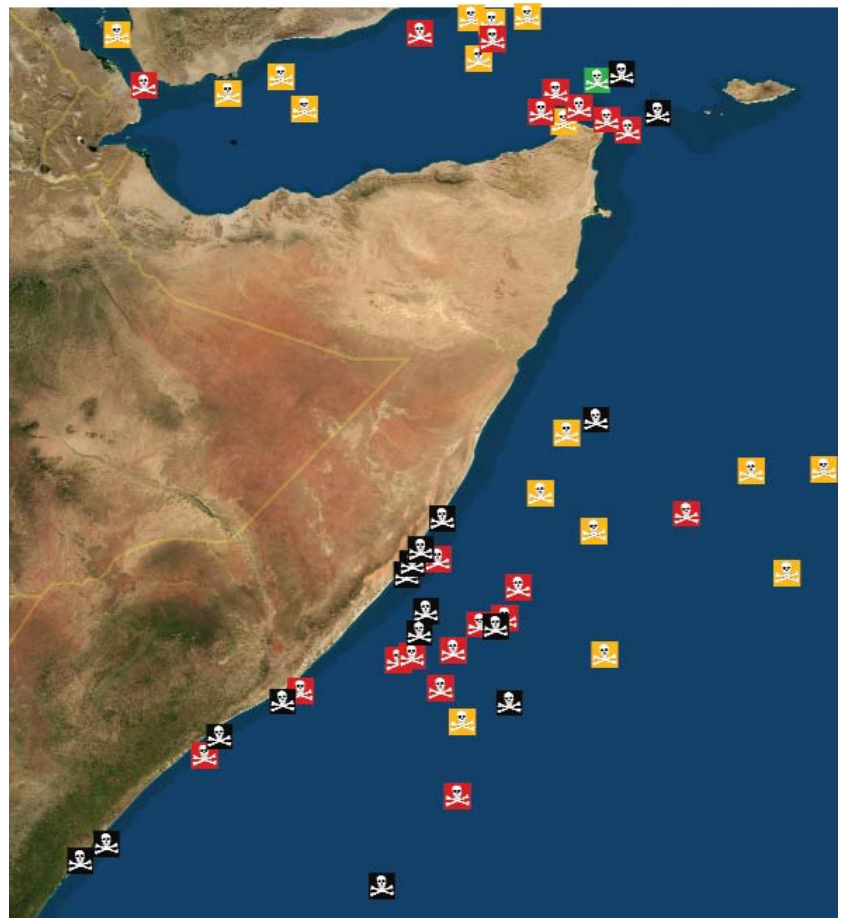
shown that when ships continue on their passage or increase their speed, the pursuing craft will give up after 20 to 25 minutes. But that is easier said than done because it is an intimidating experience and there have been people who have been shot at and injured on the bridge.

If pirates have boarded, what then? “Our advice would be not to resist and for the Captain to focus on the two important issues, which is the safety of his crew and the safety of navigation. If he can maintain control over those two issues the rest will get resolved,” said Capt Mukundan.

And shipowners or managers who find themselves in a hostage negotiation situation must be prepared for an arduous time ahead. “It will take time and the owners will need legal advice. They will have to inform the underwriters of the situation and then they will be contacted by the gang holding the crew. Once they do that they have to go through a process of negotiation. There is no short cut to it,” he concluded. ■

Shipowners or managers wishing to report a piracy attack can contact the IMB’s Piracy Reporting Centre on +60 3 2031 0014 or by email at imbki@icc-ccs.org.uk

Reported cases of Hijackings and attacks of ships off the coast of Somalia January 2005 to March 2006



This map illustrates the reported cases of attacks and hijackings of ships by pirates off the coast of Somalia from January 2005 to March 2006. The incidents have been classified into four basic types: “Hijacked” where pirates have taken control of the ship; “Attempted Boarding” when pirates have deployed weapons and attempted to board a ship but were not successful; “Pursued” when a ship was followed or harassed by pirates; and “Pirates captured” when pirates have been arrested by the naval forces of a government. All incident data provided by the International Maritime Bureau (IMB) Piracy Reporting Centre and the NGA Anti-Shipping Activity Database (ASAD) service.

	Hijacked	Projection: Transverse Mercator	Data Source: NASA, NGA, IHO05.AT
	Attempted boarding	Date: 1981	ASAM, ICC-IMB
	Pursued	1:5'000'000	
	Pirates captured		