



Insurance Bulletin
Issue 41 - October - November 2014



Welcome once again to Seacurus Monthly – an indepth round up of some of the major stories which have been shaping our response to the market and providing an insight into the areas of concern which lie ahead.

There are a number of key areas which we have focused on this time around – and it is the environmental angle which we have chosen to lead with. There seems to be a perfect storm brewing for shipowners – as the small matter of the fuel they put in, the emissions they pump out, and the means by which they stabilise their vessels all come into very, very sharp relief.

Inside we assess the triple threat which is about to hit the industry and assess what it may mean as we move into 2015 and the new rules on sulphur in fuel.

The threat posed by Ebola is also a problem, and it is likely not only to cause fear and panic – but to have massive implications for insurance and commercial disputes. We look at the advice from industry and of where the problems may lie.

Another major concern of late has been that of migrant rescue – ships are at the front line of efforts to save migrants and it is beginning to take its toll. Not least because of building political pressure to seemingly leave those in trouble to their fate.

Governments are so concerned about the perceived wave of migrants that they have taken to blaming those who rescue them. This seems a logical jump that is as dangerous as it is depressing. Shipping for its part has reminded all of the duty to save lives at sea.

It seems until action is taken to stop migrants actually making the life threatening journeys, then there is little masters, owners and coastguards can do but try to save every last man, women and child. A very sad state of affairs.

We also examine what is happening on the ground in Somalia – with reports of a growing number of skiffs sniffing around for targets, it seems that the pirates are still out there...and woe betide any vessel which is ill prepared and in the wrong place at the wrong time.

The UN thinks it finally has the answer to the problem, and the international community is set to pump billions into the nation in order to provide infrastructure, business and jobs. Let's see what the effect is.

Thankfully despite the doom and gloom over Somalia there was some good news as the remaining Asphalt Venture crew have been released after 4 dreadful years in captivity. We wish them well with their recovery.

Lastly we turn our gaze onto the perennial problems for shipping, that of ensuring a sufficient and sustainable supply of seafarers. It seems as trade picks up, and as new vessels join the fleet – there has been a lack of investment in people. So what can, should and will be done? We examine the issues in more detail.

We hope you find Seacurus Monthly of interest.



Captain Thomas Brown
Managing Director –
Seacurus Limited

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Pollution, Fuel and Ballast – the Triple Threat

Perhaps the most rapidly evolving concern facing shipping at the moment is the pressure to comply with environmental legislation, and the raft of new laws and requirements which are set to swamp the industry.



At the recent (and rather interestingly named) "Fuels, Lubes & Emissions Technology Conference", a range of lively and thought-provoking discussions and debates were dominated by the imminent deadline for the Marpol Annex VI reduction in permitted sulphur levels, which falls on 1 January 2015.

Experts reminded delegates that the clock was ticking as the deadline falls closer – now just weeks from entry into force. The question as the calendar counts down to January is whether the industry is ready for what has been called the "modal shift".

The answer appears that they are not, and there is likely to be some pain in trying to ensure compliance. This is a path that shipping should have been leading on and leading shipowner Andreas Sohmen-Pao of BW Group believes the industry needs to learn from the sulphur failings to ensure a clear approach is taken on CO2 emission reductions.

Sohmen-Pao believes that shipping should stand up and take the necessary actions to become a model for other industries. Speaking at the Danish Maritime Forum in Copenhagen last month he stated that a carbon tax should be the route taken. He added, "I think carbon pressure is coming and it's coming fast and we need to get ahead of it because if we are sitting here in five years without having done anything on mitigation then we are going to be in this usual disarray of trying to deal with all these proposals cap and trade, this that and the other, rather than us taking the lead and saying here is a framework".

The UK Club, and other P&I providers have been busily preparing for the imminent arrival of the new sulphur-emission rules. The Club's legal team has added an addendum to the Legal briefing on air emissions – the Emission Standards for SOx and NOx. They stress that members need to be fully aware of the growing and stricter atmospheric emissions measures being introduced around the world.

The message seems clear – shipping is too big to be allowed to fail, but there will be some pain in ensuring that it doesn't.

Some may believe that, as has happened before, they can fudge or fake compliance. Alas for those that are not ready, when it comes to emissions and pollution technology will ensure that there is no hiding place.

Compliance will be measured in many ways, but it seems that drone technology could come to the fore. One Danish company, called Explicit, has received recognition and extra funding for its "sniffer" drone, produced to monitor sulphur emissions from ships.

The company was one of only ten finalists at the 2014 Ocean Exchange innovation contest in the United States. The company has received \$100,000 in extra funding from the Danish Environmental Protection Agency, which highlights the urgent need for strong enforcement initiatives as the new sulphur limits on ship emissions dawn.

The Explicit "sniffer" drone uses a self-guided system which seeks out ships during cruise, measures sulphur emissions and reports back in real time.

It is not just sulphur limits which are beckoning, with Turkey having ratified the IMO Ballast Water Management (BWM) Convention, the total number of States by percentage of the world fleet ratifying the conventions now represents 32.54% of world tonnage. The convention now has just 2.46% left to go before 35% of global tonnage falls under the agreement and triggers the convention's entry into force. It seems very likely that this point will soon be met, and the convention will enter into force. With so many new demands on shipping, it seems there is a need for information, clarification and support needs to be made available.

A growing number of campaign groups are calling for change - Transport & Environment, Seas at Risk and Richard Branson's Carbon War Room all argue that a lack of publicly available data on the energy performance of individual ships is one of the principal barriers to the sector reducing its emissions. There is now a growing call for data to be openly accessible and for it to be shared.

The groups support initiatives to make efficiency performance publicly available and require ships to report and publicise their energy efficiency data, but warn some in the industry are trying to undermine these moves.

With new laws entering force, drones sniffing funnels and campaigners pushing hard for change, it seems that the next year could be one of rapid environmental revolution.

Guidance on Ebola Response

One of the most notable and noticeable events last month was the spiral of panic which began to descend around the deadly Ebola virus, and shipping was in the cross-hairs once again.

Away from the paranoia in the press and media, a number of P&I Clubs did begin to make recommendations to shipowners. This took the form, in the case of the NORTH P&I Club, of recommending that shipowners cancel shore leave and crew changeovers when calling in Ebola-affected territories, as well as incorporating Ebola-specific clauses in their charter-parties.

The Club further recommended banning purchases of food supplies, particularly meat, and ensuring crew are as vigilant as possible against unauthorised access to vessels. "A master whose vessel has visited an Ebola area and who suspects a crew member may be infected should seek urgent medical advice," said NORTH P&I Club head of loss prevention Tony Baker."

Authorities including the International Maritime Organization (IMO) also took to provide shipping with more information. As concerns grow over the possibility of seafarers and ship passengers being infected with the Ebola virus the IMO published an infographic on what people need to know.

The IMO infographic aimed at seafarers and passengers shows what to do both onboard and at ports when travelling to Ebola infected countries. The world's largest supplier of seafarers, the Philippines, put crew on heightened alert over Ebola.

A number of flag States and agencies were prompted to act – and seafarers were placed on High Alert. The Philippine Maritime Industry Authority (Marina) placed shipping firms and manning agencies on



alert, as well as the nearly 400,000 Filipino seafarers deployed worldwide.

Citing an advisory issued by the Bureau of Quarantine, Marina said all officers and crew members of international cargo ships and passenger vessels entering a Philippine port are required to submit a declaration of health saying they are Ebola-free. Marina said officers and crew should "be properly screened through the use of a thermal gun and subjected to a physical examination."

How the shipping industry copes with Ebola and the legal issues surrounding charter parties and contracts are coming increasingly into focus as the deadly virus continues to spread. Recently the New York's Society of Maritime Arbitrators (SMA) hosted a presentation by lawyer Leo Kailas, on Charter Party Agreements: Issues Related to Ebola Epidemic.

Unlike some illnesses where it is readily apparent whether an individual is sick, Ebola has a three-week incubation period. Meaning quarantines of vessels could bring about lengthy delays.

Due to the fact that standard charterparties do not contain clauses specifically relating to Ebola-affected ports, fever and epidemic clauses can be drafted. However, where they are absent from a charterparty there are a number of issues that can arise. For example, the Exxonmobil-Voy-2000 tanker charter contract, described as being "charterer friendly" does provide charterers with an option to re-nominate a port as long as a Notice of Readiness has not been tendered. The same document also provides charterers with an extra measure of protection, shifting the onus of liability to shipowners, who are expected to avoid unsafe conditions at ports by "the exercise of reasonable care."

In a similar vein, NYPE and BIMCO time charter documents talk about safe ports and safe places. It is highly recommended that clauses are inserted which remove the ambiguity and deal specifically with issues related to Ebola.

According to lawyers, the general rule is that the Master is obliged to follow charterers' orders – and a charterer is to pay hire continuously through the charter period. Whilst the Safe Port warranty generally relates to the safety of the vessel and cargo, an unacceptable risk to crew may render the port unsafe. Nevertheless, the presence locally of Ebola may not render a port unsafe a think tank has explained.

Liability for delays due to Ebola is not yet clear, and is fact dependent – as such each case is different. Experts believe that the virus will have a major effect on shipping in 2015, and if owners are not careful the effects on business could be as damaging as the effects on health.

Migrant Rescue is a Must



One of the most pressing and major challenges for shipping today is of how to deal with the tide of migrants which are swamping some sea areas.

The Mediterranean, and waters off Indonesia, are hot spots for migrant vessels – and as human traffickers ruthlessly target the weak and desperate, all too often ships are forced to rescue those who are forced to fight the wind and waves to pursue their dreams of getting to the “West”.

Just last month the Danish-flagged “Eleonora Maersk” rescued a group of 220 migrants 285nm southeast of Malta. The migrants - said to be Syrian men, women, and children - were initially expected to be brought to Malta. But they refused to be transferred to an Armed Forces of Malta (AFM) patrol boat as they wanted to reach Italy.

Eventually the Italian government consented to a Maltese government request to take charge of the group and the “Eleonora Maersk” sailed towards Italy.

The rescue operations cause danger to the vessels and crew, the legal and liability implications are starting to have an effect – and the fact that rescue vessels could be (and very often are) caught in political minefields are all major causes of concern.

The UK government last month began to raise the stakes by pulling funding for rescue missions – something they called for other nations to do too. They stated that the rescuers are actually an attraction, and they believe that migrants are flocking to make dangerous sea passages because they believe they will be rescued.

There is seemingly a growing level of political agreement to this view, and while some politicians in the UK and other nations have sought to distance themselves from the suggestion, the Italian coastguard reported that it intends to close the “Mare Nostrum” rescue mission. A move which critics claim will cause a huge surge of deaths as thousands of migrants continue to risk life and limb to get into Europe.

As the political will to pull back on migrant rescues at sea gathers momentum, the International Chamber of Shipping (ICS) sought to stress that the rescue of all persons in distress at sea – including illegal migrants – is an obligation under international maritime law, as well as being a long established humanitarian duty.

ICS said that its member commercial ship operators are involved on a daily basis in the rescue of refugees at sea in the Mediterranean. “Whatever may be decided by policy makers in EU Member States, the legal and humanitarian obligation of merchant ships to provide assistance to anyone in distress at sea will remain unchanged,” says ICS.

Whatever the rights or wrongs, the legality, the criminality or plain stupidity of taking to sea in lethal vessels with the desperate hope of crossing churning seas to reach a dream – shipping has a moral, ethical and deeply engrained moral duty to rescue those in danger at sea.

Rescue is not a political act, it is a response to need – it would be wholly inappropriate, and perhaps even dangerous to begin to decide who should and shouldn’t be saved – especially not when based on race, creed or colour.

The safety of life at sea knows no politics, or bounds – it is simply the right and proper response to save those in danger. That seafarers are so brave and noble should not be seen as a problem – it should be something which is celebrated and recognised.

Latest Piracy Attack Data

The latest piracy report from the International Chamber of Commerce (ICC) International Maritime Bureau (IMB) has been released – covering 2014's third quarter.



The IMB notes a total of 178 incidents so far this year, down from 352 for the same period in 2011. In the first nine months of 2014, pirates killed three crew, kidnapped five from their vessels and took 369 seafarers hostage. A total of 17 vessels were hijacked, 124 were boarded and 10 were fired upon. There were 27 further reports of attempted attacks.

Despite some signs of progress, IMB Director, Pottengal Mukundan said, "there has been a worrying new rise in attacks against small coastal tankers in Southeast Asia. We advise small tankers in particular to remain vigilant in these waters and report all attacks and suspicious small craft to the IMB's Piracy Reporting Centre."

IMB's Piracy Reporting Centre says gangs of thieves armed with knives and guns are making Southeast Asian waters increasingly dangerous for small tankers carrying products such as gasoil or marine diesel oil. Boarding the ship at sea, pirates hold the crew hostage for a short time while they unload all or part of the cargo, which they then use, or sell locally. Of the six vessels hijacked worldwide in the third quarter of 2014, five were in Southeast Asia.

Indonesia recorded 72 incidents between January and September, including 67 armed robberies and five hijackings. In two separate hijackings off Pulau Bintan in September, 26 crew were taken hostage. Elsewhere in Indonesia 59 vessels were boarded and there were eight attempted attacks.

Waters off Pulau Bintan saw more attacks than any other area in the world, with 27 incidents reported. The incidents were low level thefts or attempted thefts from vessels at anchor or berthed. The report commends the efforts taken by the Indonesian Marine Police in addressing the problem areas.

The worrying rise in Asian attacks was mirrored in a separate report from the Regional Cooperation Agreement on Combating Piracy and Armed Robbery against Ships in Asia (ReCAAP). According to their latest figures the number of piracy and armed robbery cases against ships in Asia from January to September was at the highest level in at least eight years.

Reports state that there were 129 incidents reported during the period. The highest number recorded by ReCAAP since its inception -- it came into force in 2006 and was formally recognized as an international organization in January 2007. There has been an upward trend in the overall number of incidents, the report said.

While reporting agencies focus on attacks which are deemed to be piracy, there was a worrying development last month when an investigation into a reported attack appeared to be trying to suggest crew involvement.

Thankfully after a more thorough investigation, and a series of articles in the local press which seemed to strongly suggest some crew involvement, detectives said there was sufficient grounds to determine that Vietnamese oil tanker "Sunrise 689" had been hijacked by pirates.

Through an examination of the entire vessel and the testimony of the crew, investigators concluded that the tanker suffered from a piracy attack in international waters, said Major General Ho Sy Tien, head of the Investigation Police Agency under the Ministry of Public Security. Based on the conclusion, police launched an official investigation into the case and will coordinate with the Southeast Asia anti-piracy Center based in Singapore to hunt down the hijackers.

While investigations do have to take place, it is worrying to think that seafarers who suffer attack may be considered to be lying. Such an approach by law enforcement agencies could further hinder the reporting of attacks. Something which is already a major concern.

Somali Piracy Getting Complicated



For all the talk of Somali piracy being a spent force, October was something of a confusing month. There were a reported spate of attacks and incidents, during the third quarter of this year in the Gulf of Aden from the Northeast Somali coastline, up along the Omani coast. According to OCEANUSLive, a maritime sharing platform, Q3 saw reports of a number of skiffs - between four to nine skiffs - closing on merchant vessels in the Bab al Mandeb (BAM) area.

Glen Forbes, of OCEANUSLive, said, "There were incidents reported in August and September in the Sea of Oman." He revealed that one incident was reported on September 25. "Another incident reported on August 12 was considered mistaken identity; Omani fishermen reported the probable sighting, although the incident remains noted as a suspicious incident by most reporting authorities," said Forbes.

He added that a matter of concern during Q3 has been the reports of a number of skiffs - between four to nine skiffs - closing on merchant vessels in the Bab al Mandeb (BAM) area. Forbes said, "In all there were 22 reported incidents with 20 incidents which were suspicious in nature. On July 7, a Kenyan cargo ship heading for Mombasa got stranded close to the Somali shore as locals tried to loot the goods. Another incident on September 8 is believed to have been an instance of human trafficking in the Gulf of Aden.

"Meanwhile, the Philippine Overseas Employment Administration (POEA) has issued new guidelines defining high risk areas and benefits due to seafarers that apply to the Internationally-Recognized Transit Corridor (IRTC) within the Gulf of Aden, he said. The resolution became effective on October 1, 2014 and it reclassifies the status of Gulf of Aden from 'high risk' to 'extended risk'."

Additional compensation will only apply if the vessel is subject to a confirmed attack, according to the agreement.

The increase of masked skiffs in the BAM is a concern and the unknown perpetrators of approaches in the Sea of Oman and Arabian Gulf raise questions as to how protection against the actions of such unknown actors can be established.

This is a concern which is heightened because merchant vessels and yachts have begun sailing dangerously close to the Somali coastline. Given that a threat does still remain, such actions clearly pose a threat to the crew and ships. A warning to stay clear from the Somali coast was issued by officers from the European Union Naval Force last month.

Vessels are moving closer to the Somali coastline because of reduced incidents of pirate attacks and to save money and fuel, said officers aboard the Italian navy destroyer "Andrea Doria", the Eunavfor's flagship to combat piracy. "It's not good to see," said a diplomat from the EU.

One of the major issues which commentators have homed in on is the fact that despite naval and private security efforts, very little has actually changed ashore in Somalia. For all the talk and despite some small scale investment there has been no root and branch change to compel those who may be attracted by piracy to get alternative jobs.

Speaking on the matter last month, UN official Jeffrey Feltman stated fears of a return of Somali piracy. Feltman said, "Piracy off the coast of Somalia is one of the manifestations of a political problem, requiring a political solution. State collapse in Somalia and other political challenges lie at the root of the problem". Without the international naval presence, shipboard self-protection, and until capacity-building efforts ashore deliver then large scale piracy may potentially return," he stated.

One solution is to pump money into the country, in the hope that such investment may lead to industrial development and subsequent jobs. In an attempt to kick start the nation major new financial assistance for countries in the region has been announced totalling more than \$8 billion over the coming years.

Leaders of global and regional institutions last month even made an historic trip to the Horn of Africa to pledge political support and UN Secretary-General Ban Ki-moon, the World Bank Group (WBG) President, Jim Yong Kim, as well as the President of the Islamic Development Bank Group and high level representatives of the African Union Commission, the European Union, the African Development Bank, and Intergovernmental Agency for Development (IGAD) are combining forces to promote stability and development in the Horn of Africa.

Another criminal enterprise in Somalia which is believed to fund much criminality, piracy and even terrorism is the sale of charcoal. In an attempt to stymie this illegal trade the United Nations Security Council has authorised the inspection of boats suspected of carrying illegal shipments of charcoal or weapons to and from Somalia.

The resolution, adopted by the 15-member council with 13 votes in favour, approves the use of "all necessary measures" - diplomatic code for military force - to carry out such inspections. The council imposed an arms embargo on Somalia in 1992 to cut the flow of arms to feuding warlords, who ousted Dictator Mohamed Siad Barre and plunged the country into civil war. "Charcoal is giving al Shabaab a lifeline," Britain's U.N. Ambassador Mark Lyall Grant told the council.

Last month also saw a meeting of the UN Contact Group on Piracy off the Coast of Somalia (CGPCS). The group looked to build on a range of successes, and a law enforcement network was established, comprising police officers, Interpol and Europol officers and prosecutors.

There is now an even stronger emphasis on the need to apprehend the kingpins and strengthen Somali law enforcement and judiciary. "The piracy business model is fractured but not broken so if we were to withdraw the pirates would come back," Maciej Popowski, the chairman of the CGPCS said. "We need to engage with the countries of the region and help them build their own capacity of controlling their territorial waters. They need to modernise their legislation and go with our support after the piracy networks, particularly the kingpins. We must make sure that we not only identify them but apprehend and prosecute them."

Speaking at the group, Sheikh Abdullah bin Zayed Al Nahyan, UAE Foreign Minister stressed that understanding the link between sea and land based instabilities was vital, he said, since other crimes were on the rise.

Sheikh Abdullah called on the international community to continue patrolling operations at sea and tackle the root causes on land by building local law-enforcement capacities and economic opportunities.

"It also requires taking the fight to land-based organisations such as Boko Haram and Al-Shabaab that are both drivers of instability, and partners and sponsors of maritime crime" he said.

Seafarers Finally Freed After Years in Captivity

Away from the negatives and fears of a resurgence in Somali piracy, there was some amazingly positive and uplifting news last month. Finally after four years in captivity seven Indian seafarers held hostage by pirates in Somalia were released.

The men are the remaining crew members of the Panama-flagged 3,884dwt general cargo ship "Asphalt Venture", which was hijacked on 28 September 2010. In April 2011 eight of the crew, along with the vessel, were released, leaving seven men detained ashore. A statement from the Maritime Piracy Humanitarian Response Programme (MPHRP) said the release was achieved by "lengthy negotiations" and a "modest payment" to cover "the logistical and transport costs of the group holding the men".

The release has been the result of much hard work by a number of agencies, and while it was thought for so long that the men could die in captivity it is hugely pleasing to see the pictures of them returning home and being reunited with their families, friends and loved ones.

With seafarers still remaining in Somalia, there can be no let-up in efforts to free them. The fact that innocent mariners are suffering at the hands of pirates has been a stain on the shipping industry, but finally it seems there may be some progress in the struggle to get the pirates to release crews when there is clearly no multi-million dollar ransom ever going to be forthcoming.



As a result of those still being held a piracy survivor family fund to provide social, medical and psychological assistance to freed hostages and the families of seafarers being held captive by Somali pirates was announced last month at the end of a two-day meeting of the UN Contact Group on Piracy off the Coast of Somalia (CGPCS) in Dubai.

"An important decision was taken to establish a piracy survivor family fund because many who are captured suffer mentally and physically and return traumatised after their long period of absence from home," said CGPCS Chair Maciej Popowski.

"We thought the international community should make an effort to offer them assistance, so the fund has been established under the auspices of the contact group. Many delegates made pledges so there will be seed money. We want to have someone in charge to whom these seafarers and their families can turn for assistance and then we can map out what they need. We don't have a full picture yet but we wanted to start somewhere."

The target figure for the fund is US\$250,000 and the amounts pledged by countries have not been disclosed. The fund is to be managed by a British non-government organisation, and will support families by helping them retain their homes and keep children in school since many seafarers are not paid wages by employers after the vessel is held.

Of about 5,000 who were held hostage by Somali pirates, between 800 and 1,000 suffer from post-traumatic stress disorder and other social and medical problems, according to figures obtained by the CGPCS.

Shortage of Seafarers Bites Again Shortage of Seafarers Bites Again

The shipping industry is perhaps one of the most obvious examples of a cyclical business – the highs of bumper charter rates driving the building of more ships, which leads to increased competition and a drop of rates – which leads to ships to be scrapped, which leads to a shortage of tonnage and a rising of rates. And on, and on and on we go.

Another side effect of this most merry of merry go rounds is the fact that seafarers are also affected by the knock on effects of the downslides in the cycle.

When we also consider that it takes longer to build an experienced seafarer than it does a ship – we can perhaps envisage that where the supply and demand of labour is not managed, then problems can exist. The sad fact is that the supply is not managed, and it is a massively important issue.

Most maritime professionals will work through a number of cycles, and with each one they experience the mistakes, errors, omissions, foolishness and lack of foresight become even more astonishing and disappointing. So it is that we seem to be edging back to yet another “manning crisis”.

According to press reports last month, “an acute shortage of skilled seafarers has hit the Indian shipping industry, forcing public and private ship owners to hand over the command of merchant vessels to less experienced captains and chief engineers”.

The media went on to add that as it usually takes 10 years of sailing experience for a marine cadet to qualify for the post of a captain owners are increasingly being forced to hand over the wheel to candidates with seven or less years of sea time. This not only raises maintenance costs of vessels but also risks their safety.

“There is an acute shortage in terms of both quality and quantity,” said Arun Kumar Gupta, chairman of state-run Shipping Corporation of India. “We are really struggling to meet our manpower requirements” he added.



This is as predictable as it is depressing – and the major observation is that no-one is really in charge. There is no great “pool” of shipping talent. No single point of reference or management. It is a free for all, and when the going is good people become experienced seafarers – but when times are hard they are let go.

Once “let go”, they do not remain seafarers – they move careers, they abandon the sea and lose their skills. They become ex-seafarers, some move from captains of ships to captains of industry, they work as lawyers, they become brokers...and some even write newsletters bemoaning the state of the industry.

To this rather depressing backdrop it is interesting to hear the International Maritime Organization join the debate. According to IMO Secretary-General Koji Sekimizu assuming that half the existing officers will retire by 2030, that means 600,000 officers would need to be recruited and trained from now. But attracting people to the profession is difficult, Sekimizu recognises, “This is a significant challenge.

We need to generate interest in people, the younger generation. I am talking about people in Japan and other advanced nations. “We need to highlight the importance of shipping. We need to provide real tangible benefits for those people who will work on the sea. This is probably the biggest challenge.” Sekimizu also believes that the ‘seafarer’s life must be made more attractive’ to ensure that the shipping industry is prepared to meet the challenges ahead.

Speaking at a key industry event in Athens, Michael Grey of BIMCO recently explained his conviction that much of the glamour, adventure and resourcefulness once associated with seafaring has been lost as technology and regulations have not only replaced human endeavour and the joy of sailing around the world, but resulted in complacency, and this is not good for safety nor the environment, nor the economics of the industry.

The stark truth is laid before us - thousands of seafarers are needed, and young, talented people need to be recruited – but by whom, and who will be responsible for them? Owners only take on for their needs, they poach the skills they need, and damn those who dare to move to other employers. The system is about covering the bare minimum requirements. There is no slack, no give, no joined up thinking – it is a wholly commercial response. Which is understandable, but that provides no insulation from the cold reality that skills are short, and people are lacking.

Alas there is little to indicate that shipping has the systems, intelligence or willingness to really make the difficult, long-term, sustainable decisions which may help the next time the cycle comes round again.

Monthly News Roundup

Other Key News Stories

Jockeying For IMO Position: Denmark and its maritime industry are lobbying to get the top position at the International Maritime Organization. The current secretary general of the IMO, Koji Sekimizu, is due to step down at the end of next year, and shipping journals have said Panama, Cyprus and Mexico are also preparing to put forward candidates for the post. <http://goo.gl/K21foK>

Optimised Ship Designs Need Rethink:

Today, ship designs are optimised around an estimate of normal conditions under which the vessel will operate, known as the "design point". But this does not necessarily represent the conditions the vessel will actually encounter. "In that sense, it's artificial," says Tim Kent, technical director at Lloyd's Register. "It's a reference point used as part of the ship specification and contractual agreement between the owner and the builder. The ship has to achieve a performance level at this design point." Lloyd's Register is working to look at optimisation throughout the design life of the ship, rather than around a single point. <http://goo.gl/KclNSY>

Prosecutors Call for Masters Death: South Korean prosecutors have asked for a death sentence for Lee Joon-seok, captain of the Sewol ferry that capsized in April 2014, claiming lives of 294 passengers, mainly high school students, with 10 still missing, Reuters reports. The 68-year-old should be sentenced to death on the grounds of failing to carry out his duty, an action which amounts to homicide, the prosecutors told the court. The court was presented with evidence that passengers followed the orders and waited in their cabins while the crew, Lee included, fled the listing ferry, which spurred a wave of public anger and hostility. <http://goo.gl/oCN8qa>

Terrorists Target Tankers: The Royal Navy has been put on red alert after Al Qaeda urged its followers to blow up oil tankers using the Strait of Gibraltar. Terror chiefs have called on militants to destroy tankers bound for the west by ramming them with boats laden with explosives or by hijacking the ships and running them aground. An attack would cause "phenomenal" reaction around the world and help ramp up oil prices, shipping rates and maritime insurance as well as military spending. A spokesman for the Government of Gibraltar said: "This is not the first time that threats have been made to target merchant shipping passing through the Straits of Gibraltar. Every year 106,000 ships, including 5,000 oil tankers bound for the West, pass through the Strait. <http://goo.gl/G0Zqrq>



Ship Operating Costs Set to Rise: Shipowners and managers expect that vessel operating costs, led by crewing and repairs, will increase 2.9% in the next two years, according to a Moore Stephens survey. Respondents to the survey indicated that crew wages were expected to increase 2.4% by the end of 2014 and 2.6% in 2015, while repairs and maintenance would go up 2.3% and 2.4%, P&I by 2.0% and 2.2%, drydocking by 2.1% and 2.2%, and management costs by 1.2% and 1.5%, respectively. Expected crew cost increases followed the implementation of the MLC which was "likely to be a significant factor in higher labour and crewing costs", as well as "the strong presence of labour unions in the shipping industry," and shortages of officers and engineers, according to responses. <http://goo.gl/PDduZK>

New MLC Guidelines on Safety: The ILO has agreed guidelines to assist in implementing the MLC following a Meeting of Experts on Maritime Occupational Safety and Health. The guidelines are intended to aid in creating national laws and regulations by providing practical information relating to the maritime working environment including high levels of stress, fatigue, long hours of work, demanding physical working conditions, isolation and potentially hazardous tasks. <http://goo.gl/22HGHI>

P&I Club on Wreck Removal: The Nairobi International Convention on the Removal of Wrecks 2007 will enter into force in State Parties on 14 April 2015. The Convention provides a strict liability, compensation and compulsory insurance regime for States affected by a maritime casualty. Clubs will issue the required Wreck Removal Convention "blue cards", to enable Members to obtain Certificates from States Parties. <http://goo.gl/T4Jp5t>

Court Case Beckons In Nigeria Piracy Case: A year to the day after Edison Chouest's supply vessel "C-Retriever" was hijacked and its captain and chief engineer kidnapped off Nigeria, a lawsuit has been filed against the two companies for gross negligence and failure to "take appropriate remedial measures to protect its employees," namely Captain Wren Thomas. Thomas' lawsuit highlights a series of anonymous death threats that he received and specific kidnapping threats that were made pre attack. <http://goo.gl/R4o6qV>

Manuals and Procedures are the Problem: When the UK charitable trust CHIRP, reported on the lack improvement in the standard of Marine Operating and Maintenance Manuals after 10 years, there were some answers as to why problems abound. There are a number of contributing factors towards a seafarer's reliance upon procedures in operating and maintenance manuals: failure of training and certification to keep pace with the rate of change of technology; rapid movement of Officers through ranks; reduced staffing levels; and the large breadth of technologies that seafarers (particularly engineers) are now expected to be fairly expert in, is another growing problem. <http://goo.gl/q3eedk>

Owners Want Fund to Remain: A decision by governments to wind up the 1971 International Oil Pollution Compensation Fund (IOPCF) threatens the smooth running of the well-established global regime for compensation from oil pollution from ships, says the International Chamber of Shipping (ICS), the global trade association for shipowners. At next week's IOPCF meeting in London, ICS (in conjunction with BIMCO and Intertanko) will argue that it is premature to wind up the 1971 Fund when there are still outstanding claims not covered by the current 1992 Fund. Some of these claims are subject to litigation, with money potentially still owed to the shipowners' insurers.

<http://goo.gl/fPEc20>