

SEACURUS BULLETIN

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ANNUAL REVIEW OF SHIPPING

TIME TO STEP UP SECURITY | ANATOMY OF AN ACCIDENT | BUSINESS BIRDS AND BEES



In this issue we look at key issues currently pushing to the fore - cyber security, terror, piracy and one of the tragic facts of shipping - accidents. We review the conferences and debates from Nor-Shipping and have an overview of the Annual Review from the International Chamber of Shipping.



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Welcome

➤ Welcome once again to another monthly shipping round up of Seacurus' news and views from the stories which have been shaping shipping and the markets.

Much of the focus this past month has been the various discussions, conferences and debates which have made up Nor-Shipping 2017. What we have heard emerging from Lillestrøm is that despite much focus on the buzzword, "disruption", there has been a focus too on the most fundamental aspects of shipping business.

For all the talk of Uber, Amazon, Alibaba et al stealing market share and destroying traditional shipping models - there are some fundamentals at play, we call them the shipping business "birds and bees", which mean that owners could retain the upper hand.

We also read with interest the latest annual report from the International Chamber of Shipping (ICS). The report flags many key issues - but perhaps the real take home is the fact that owners are incredibly concerned about environmental matters.

Now of course some of this focus is not altruistic, it is based on business models and the desperate desire to stay in the game. But it genuinely seems that the ICS membership is looking to do the right thing for the right reasons.

Ship owners, well the good ones anyway, are seeking to steer a

course through existing legislation, but so too wanting guidance on what will happen next. There is a seeming cluster bomb going off, with problems relating to ballast water management and also concerns over low sulphur fuels.

The pressure is building, and ICS is pushing for positive change - most especially from the IMO. The report was of course written before President Donald J Trump proudly proclaimed his nation was withdrawing from the Paris climate accord to stop the world laughing and demeaning the USA.

The full ramifications are yet to be fully understood, but it does make things ever more problematic on the issue of emissions and climate change. For shipping it is about finding the route between the present expectations and future demands. That is no mean feat, and so it is important that the ICS is lobbying hard and monitoring developments.

Inside this month's bulletin we look at some other key issues which are pushing themselves to the fore. The IMO will be debating new cyber security guidelines this month, so we assess what that could mean. It seems that with newly classed vessels being safe from human interference, then some see the journey to autonomous ships as being almost complete. The truth could be somewhat different.

We also look at the effect of a dreadful wave of terror attacks across the UK, and indeed other countries. Our

hearts go out to those affected in London and Manchester. As we reel from attacks, we assess what that will mean for security and shipping. It is not just terror; the curse of piracy is on the rise - and things are looking worrying - we look at what is happening where.

Finally, we look at one of the tragic facts of shipping, the rather awkward problem that accidents keep happening. Just what is the anatomy of an accident, and what can be done to head off safety problems...perhaps making sure that seafarers are in a fit state and frame of mind could help?

Anyway, we hope you enjoy these articles, and look forward to hearing from you if we can assist with any issues raised. <

All the best

Capt. Thomas Brown
Managing Director



BUSINESS BIRDS AND BEES

At this year's shipping bonanza, Nor-Shipping, there was something of a "back to basics" reflection taking place. For all the talk of disruption, there are some fundamentals at play, let's think of them as the business birds and bees.

ROUND THE HONEY POT

Speaking at the opening of Nor-Shipping, the head of Transas, Frank Cole claimed that those at the show were either bees, dodos or ostriches. There are those who are swarming from flower to metaphorical flower, busily looking for opportunities. There are those who are doomed, and despite some frenzied flapping, they are just never going to fly,

While the rest are ostriches – simply burying their heads as the sheer bewilderment of changes washes around them. Of course, when a business buries its collective head, all it means is its backside is shown to the competition.

So, there are clearly interesting times ahead. Not since the taxi strikes first started crippling Posidonia has a shipping exhibition featured the word "disruption" so often. It seems that this year, Nor-Shipping is so concerned with what may be coming, that it could be taking its eye of what is happening.

What does all this talk of disruption truly mean? Well, it seems to rest solely on the fact that a business model with inefficiencies will be attacked from those who believe they can do it better. Which seems to be exactly what is happening.

BARBARIANS AT THE GATE

Delegates were told of the extremely hard truths that await them. The fact that people, clever innovative, entrepreneurial people are on the look-out for opportunity. The fact that 90% of the world is water, seems to suggest that they were always going to come looking when opportunities ashore were becoming harder to seize.

The sea is a natural barrier, obviously. However, it has always been thought that it was also a barrier to business. Unless you owned a ship, unless you had a Captain's salty knowledge, and a hunger for adventure, then you could only pick up the crumbs that those who did had. Now that no longer seems to be the case. Many, many owners have sold their souls to the banks, who have sought better returns, and have in-turn funded upstart, hungry new ventures which are looking for models to attack.

The barbarians are at the gate – and shipping's Romanesque history and stature will not keep them away for long. Just as Rome had to find new answers, so too will shipping. For Romans it was to take up a new religion...the answer for shipping may be new beliefs and value systems too. They will have to look to data, to metrics and to new ways of operating.

WHO ARE THE DISRUPTERS?

Those at Nor-Shipping sat bolt upright when they heard of the future which possibly faces them. One speaker in particular set out a harsh vision. Tony Seba, a Stanford economist and founder of tech think tank RetinkX, believes the next decade will see profound change.

As a serial Silicon Valley investor, Seba sees that shipping is about 10 years behind all other industries in digital tech take up. This may have been a security blanket of sorts – but that is being stripped away.

He warned that disruption in maritime will come from outside the sector. So urged delegates to get into a mindset as if they had just started their businesses today. There is no good to come from on focusing on the past, the future is knocking and it will either be let in, or will smash the doors down.



IMAGE: NOR-SHIPING

Seba said the sums were simple – if owners are to prosper in the future digital economy then shipping needs to stop thinking in a linear fashion. The change, when it comes not if, will be in the form of an S-curve.

NO SWERVING THE S-CURVE

Seba discussed car-hailing phenomenon Uber as an example of how the S-curve works. He suggested that by 2030 95% of people will not own a car, initially slow take up, eventually changes behaviour which creates the perfect environment to drive the originally disruptive business onwards.

Businesses, or the products of businesses, that follow an S-curve are characterised by a shallow start, where only early adopters and niche markets buy the product or invest in the company.

Then they experience a rapid growth, and the product or business has a dominant position in the market. After the rapid growth, these businesses maintain a high-performance level but with little growth, which often signals a mature but saturated market.

Technology businesses, such as computer, software and electronic manufacturers often display an S-curve life cycle. Initial progress is slow because the principles of the technology are poorly understood. Then once researchers get a better understanding of the technology, progress accelerates rapidly.

SLOW START RAPID ACCELERATION

Businesses and technologies with a well-documented S-curve growth cycle include automobiles, semiconductors, steam engines and disk drives. Yes, they are companies that make something, but that is where it has become interesting. The real disrupters have spotted that making people do something, can have as large an economic impact as making something.

Uber is once more held up as the ultimate disrupter, but of course there is the likes of Spotify with music, Netflix with movies and TV. These are companies which have spotted a well-established business and decided that if they could just get enough people to do things differently, then the S-curve would look after the rest.

That is not to say the model is perfect. Indeed, as time goes by, the effort required to improve on the technology reaches such a level that increase slows down and the growth curve flattens out. But by then the game can be over, until the next generation of disruption begins.

For shipping this has been about the disrupters getting to the nub of the issue, the fact that companies need to move things, but the customers have been completely beholden to those who control the mode of transport – the shipowner has been King. Consumers have been subservient to the transport providers – however, by switching this around, that is where the change begins. It looks like Nor-Shipping may have fired the starting gun.



ANNUAL REVIEW OF SHIPPING

The International Chamber of Shipping (ICS) has launched its latest Annual Review, ahead of the ICS Annual General Meeting. It provides an insider's view of the key issues affecting shipping, and offers a unique insight into the global shipping industry.

BOLTING THE DOOR

IMPLEMENTATION CHALLENGES

It is often said that shipowners have no choice but to be optimists. After all you wouldn't buy a ship if you didn't think you would be able to trade and make money. While overly simplistic it seems to be a truism which does translate.

It does not, however, mean that owners do not have myriad concerns and problems which could often make them want to sell up and let the market settle. It has also been said the secret of good shipping owning is simply knowing when to buy and when to say bye.

There are so many issues to deal with, so many new and old challenges to be met that it can perhaps seem a little overwhelming to read through the latest ICS Annual Review, which sets out so many varied, yet fundamental problems to be faced.

Shipping if all too easily criticised, indeed it is often made a pariah. For the owners who do things right and well, and who look to invest, innovate and to operate sustainably, there is much to consider in the months and years ahead.

The review states the key challenges for shipping, and sets them out against a backdrop of the "complex legislative and economic landscape" which is currently faced by ship operators. One of the primary concerns is that of constant change for the industry. Though that of course can mean opportunity too.

GLOBAL DEVELOPMENTS

The Review also looks at developments connected to a wide range of other issues in which ICS is involved on behalf of the global industry, ranging from legal and insurance developments, seafarers' employment standards and the maintenance of free trade principles, to the resurgence of Somali piracy and the continuing migrant rescue crisis in the Mediterranean.

It seems it is the issue of the environment which is front, left and centre of the ICS concerns this time round. As the

report explores the challenges presented by the need to reduce CO2 emissions in line with the ambition set by the Paris Agreement on climate change; though this was of course before President Trump pushed ahead with his own global reforms.

With emissions up in the air, pun intended, it seems that another key issue needing clarity is on the worldwide entry into force of the IMO Ballast Water Management Convention in September 2017. There is real uncertainty about the implications, and indeed of the practical means of solving the ballast conundrum.

To such a backdrop it is no wonder that owners are concerned and perhaps even confused. The next couple of years will see a period of intensive and rapid change, and it is a real challenge to keep pace with the demands of business, customers and legislation.

GETTING THINGS RIGHT

According to Esben Poulsson, the ICS Chairman, the long-term future of the industry, like the rest of the world economy – must eventually be fossil fuel free. The trajectory for getting there, not least the development of alternative fuels, could well take several decades, and presents a far greater challenge for shipping than ashore.

In the nearer future of course, it is not so much pollution that will be the driving force, but concerns about protectionism. Anything which erodes global trade, or which causes friction in the system is a concern.

It is to that backdrop that Poulsson comments on the election of President Trump and the new attention that has brought onto free trade principles. Principles which Poulsson believes "can too easily be taken for granted".

The diplomatic work with governments in support of free trade in shipping has suddenly become a subject of enhanced importance. While so far nothing has fundamentally changed, Poulsson states that shipping needs to be vigilant against any rise in protectionism which would be deeply damaging to the continuing improvement of global prosperity. The stakes are high, and rising...much like global temperatures and sea levels.

PRESSURE ON IMO

It is to the IMO that shipping looks when it comes to the need to reduce CO2 emissions. The ICS clearly, literally in capital letters, states that the IMO needs to come forward with some ambitious CO2 reduction objectives, without them everyone seems to be floundering.

ICS is confident that IMO can adopt an ambitious strategy by 2018 matching the ambition of the Paris Agreement. However, ICS members have concluded that to be consistent with the spirit of the Paris Agreement, IMO needs to agree a baseline year for peak CO2 emissions from shipping, as well as some serious long-term aspirations to dramatically cut the sector's total CO2.

ICS also believes that IMO should adopt aspirational objectives for the sector, rather than setting targets for individual ships. They also want the IMO to agree measures for delivery which should be in place by 2023.

IMO has made real progress to address CO2 emissions from shipping, having adopted the Energy Efficiency Design Index (EEDI) in 2011, as a result of which ships built in 2025 will be at least 30% more efficient than most of those constructed before 2013. In spite of this progress, it is clear that society at large, as well as many governments, now expects IMO to deliver even more. There can be no shirking the challenge.

THE HUMAN ELEMENT

The issue of seafarers is never far away from debates about the future. While pressure seemingly builds to do away with humans at sea, and to have autonomous ships – the reality is that seafarers still make shipping work. With all the attendant challenges that brings.

The ICS report covers the latest five-year Manpower Report on the global supply and demand for seafarers. According to the data the worldwide supply of officers is estimated to have increased considerably since 2010, with the supply of ratings increasing too.

Significantly, China is thought to have overtaken the Philippines as the largest single source of seafarers

qualified for international trade (although the Philippines is still the largest source of ratings). However, data from international shipping companies suggests that the extent to which these Chinese seafarers are available for service on foreign-owned ships may be limited, with the Philippines and Russia seen as equally important sources of officers, followed closely by Ukraine and India.

The report suggests that the industry has made good progress in recent years with respect to increasing recruitment and training levels, and reducing officer wastage (i.e. retaining qualified officers and increasing the number of years which they serve at sea). However, unless training levels increase significantly, the growth in demand for seafarers could generate a serious shortage in the total supply of officers. This is definitely a potential problem to watch.

WORST OF THE REST

From cyber-crime to piracy, migrants to seafarer repatriation, the report focuses on many key issues which cannot be ducked, dodged or ignored. At the time the report was written there had been the first hijacking of a vessel off Somalia, and so there was seemingly uncertainty as to whether this was a blip or a return of the problem.

Subsequent events have painted a worsening picture, and so it is interesting to note that the ICS has clearly stated the need for continued vigilance, and the continuation of naval, reporting and monitoring of the Horn of Africa region.

On the matter of cyber risks and security, the ICS recognises that this is an increasingly important issue for shipowners. Not just operationally, but from a security, safety and insurance perspective.

According to the report, while the full extent of the threats posed to shipping are unclear, there is a need for companies taking their first steps into cyber security to focus on training and awareness of personnel.

To download the ICS Annual Review please visit www.ics-shipping.org/ics-annual-review-2017

SECURITY
RISK = WWW

CYBER RISKS BUT NOT AS WE KNOW THEM

As we have reported, when it comes to cyber risks and security, it is an increasingly important issue for shipowners. As companies are taking their first steps into cyber security they focus on training and awareness, but are the full nature of threats understood?

PRIDE BEFORE A FALL?

It was with a wry smile that news of the shipping industry's first cyber-attack proof ship has been launched. It was announced last month that Korean shipyard Hanjin Heavy Industries has delivered three ships which are the first to be classed with Lloyd's Register's notations certifying the autonomous systems onboard as, "safe from human error".

It is wonderful to think that vessels exist which are now exempt from the pesky human effect. Though, quite whether things will stay that way is another matter. There is a horrible sense of hubris in all this. While of course vessels should be designed to withstand the various threats they will be faced with, one can't help but feel uncomfortable with the superlatives being bandied around.

There seems to be a "Titanic" effect when it comes to new classification products. If you are aware of Godwin's Law, it states that the longer an argument on the internet continues, then the more likely someone is to be being compared to Hitler.

When it comes to companies launching new products, a similar "Titanic Law" means that someone is bound to make some wildly boastful, "unsinkable" claim. So it is, that these new vessels are deemed safe from humans. Let's hope no-one on another vessel collides into them!

STREAMING DATA

Aside from new ships being robust enough to cope with human interaction, there have also been certificate issues regarding streaming ship data. New vessels are becoming

a "big data platform". With all the positives, and perhaps problems that might begin to bring.

As the first autonomous containerhips are expected by 2020, news last month that hospitals, multinational corporations and government offices across more than 100 countries were hit by the world's biggest ransomware cyber-attack, underlines the devastating impact such an attack could have on an unmanned shipping fleet.

Across society we are all becoming increasingly aware of the potential socio-political impact computer hacks can have on the status quo, with claims of election interference, so it is inevitable that the nefarious will at some point correlate seaborne trade with global economies and energy security and hold us all to ransom.

So far, shipping industry conservatism and a lack of wider public understanding have, perhaps, inadvertently kept the hackers at bay, but the industry cannot remain complacent. It is still a when, not if problem – so the answers have to be compelling and convincing.

NOT A GOOD SIGN

To date, shipping's ability to ward off attack is not looking good. Despite maritime agencies and industry groups warning the danger does not end at the water's edge, there have been those who have refused to listen.

Just last month, a cybercrime specialist working for a mobile device company demonstrated the vulnerabilities of a superyacht's IT systems, using a boat's WiFi connection to gain control of many vital functions – including navigation and the onboard CCTV.

Speaking in an interview with the Guardian, the hacker said, "We had control of the satellite communications". Adding, "We had control of the telephone system, the Wi-Fi, the navigation . . . And we could wipe the data to erase any evidence of what we had done."

With the IMO set to start debating the issue of cyber security and guidelines at the Maritime Safety Committee's 98th meeting between June 7th and 16th, then it is clear the stakes could not be higher.

ANSWERS NOT AUTOMATION

Sometimes technology can run ahead of itself. The pipe dreams that exist in a technologist's head can far outstrip the needs and even demands of the industry or community they seek to serve or sell to. It seems that all the talk of automation may fall into that category. With Nor-Shipping awash with tales of technology, it seems

that much of it is leaving ship owners pretty cold and confused.

Despite all the talk of autonomous or semi-autonomous vessels classification society ABS says it is seeing no demand for such ships from owners, and is instead focusing on technological developments for the world's existing fleet.

"We have not seen any company that says we want to make our ships autonomous," Jan O De Kat, technical director global marine for ABS told a media briefing. He said that what shipowners were looking for was to have sustainable and profitable businesses.

"Ship operators will not push for this unless they see a clear advantage be that strategic or financial." While crew costs were significant, they are not the largest cost of running a ship and while there were savings to be made from autonomous operations these could be offset by other costs relating to that operation.

OBSESSED WITH THE NEW

There is a seeming obsession with pushing the new onto owners and those at sea, rather than there being any organic business demand for it. At one Nor-Shipping event, big data was compared to teenage sex. KD Adamson, respected futurist, said "Everybody claims they are doing it, most people don't know how to do it, but think everyone else is doing it. The people who are doing it, aren't doing it well enough to get any satisfaction from it."

Adamson acknowledged the buzzword issue for big data and opened her panel by suggesting that data is more of a means to an end. She sees that it is not an IT or technological revolution, but is more of a business transformation. That may likely be a short relief to owners, but actually means a longer-term headache.

It was also reported last month that remote monitoring is increasingly frustrating crews. While many owners are turning to remote monitoring of vessels to improve the efficiency of their operations the move is not always popular with the crew.

DNV GL reported much success in their monitoring sales, claiming to have signed up 1,400 vessels from 75 owners over two and a half years to its ECO Insight fleet performance management solution. However, increasingly it seems a balance is needed and companies are seeing a push back from seafarers not happy about the idea of performance being remotely monitored. So there are hearts and minds which still clearly need to be won over.

TIME TO STEP UP SECURITY

As the UK, and indeed other countries reel from a fresh wave of terror attacks, it is likely that security and shipping will come back to the fore once more. It is not just terror, the curse of piracy is on the rise – and things are looking worrying.

ON THE HOME FRONT

Ports around the United Kingdom recently stepped up security and screening measures for ferry passengers following the raising in the nations' terror alert levels from severe to critical.

At the port of Holyhead, the UK's second-busiest passenger port, police added new armed patrols to ensure security, part of what was termed "Operation Tempered". This response was mirrored across other ports to give a sense of security to travellers.

It was not just passenger ferry traffic which was affected. It was also reported that divers working for the UK's special forces are inspecting LNG carriers bound for Britain over fears Al Qaeda or Islamic State might attach limpet mines to these giant ships.

Newspapers reported members of the Special Boat Service (SBS) and specialists from the Royal Navy were inspecting ships with LNG, predominantly from Qatar, which are headed for terminals on the Isle of Grain in Kent and at Milford Haven in Wales.

GLOBAL FRONT

It has not just been the UK and British waters which have been a concern. Even Russia has been facing a maritime threat from ISIS over the past month.

Reports indicate that Combined Turkish forces had to escort Russian ships through the Bosphorus Strait as a result of an intelligence tip that Islamic State (IS) was planning an attack using missiles and long-barrel weapons.

Rather bizarrely the UK Foreign Office even took the step of issuing a terrorism-related travel advisory for its Antarctic territory. "Although there's no recent history of terrorism in the British Antarctic Territory, attacks can't be ruled out," says the advisory.

While the Philippines has also been hit hard. An unprecedented attack of the ISIS-backed militant group Maute Group in Marawi City in Mindanao, has been seen as potentially marking the beginning of a new threat to Southeast Asian maritime security. The situation is so severe it has been termed "an invasion of foreign terrorists who heeded the clarion call of ISIS."

Given these unpredictable maritime threats, maritime officials from the Philippines, Malaysia and Indonesia have been meeting frequently to discuss how to protect commercial shipping passing through their respective borders.

PIRACY CONCERNS

With deepening terror threats, it is perhaps even more disconcerting to see the worrisome rise of Somali

pirates once more. Unknown assailants attacked an oil tanker last month in the latest flare-up. The EU Naval Force said in a statement that the attackers fired rocket-propelled grenades before breaking off their assault on the Marshall Islands-flagged tanker "MT Muskie" in the southern Bab al-Mandab Strait.

While a South Korean fishing vessel was feared to have been hijacked. Though it seems the vessel was thankfully able to out run its attackers. There have also been multiple sightings of suspected pirates with weapons, and so attacks seem to be increasingly likely.

Last month saw the publication of the latest International Maritime Bureau (IMB) report on pirates and armed robbers. According to the data, they attacked 43 ships and captured 58 seafarers in the first quarter of 2017, slightly more than the same period last year.

The global report highlights persisting violence in piracy hotspots off Nigeria. While Indonesia also reported frequent incidents, mostly low-level thefts from anchored vessels. In total, 33 vessels were boarded and four fired upon in the first three months of 2017. Armed pirates hijacked two vessels, both off the coast of Somalia, where no merchant ship had been hijacked since May 2012. Four attempted incidents were also received.

TROUBLE SPOTS REMAIN

For all the talk over past years, it seems incredibly troubling and even depressing that Somalia and Nigeria are such troublesome places, and remain just the same crucibles for piracy that they have so long been.

Time again it seems that initiatives fail to deliver. So it is perhaps with some scepticism, that we read of the Somali government and the European Union (EU) holding talks on strengthening the Horn of Africa nation's maritime security to help deter piracy along the coastline.

According to reports, the Somali Prime Minister Hassan Ali Khairi and EU Ambassador to Somalia Veronique Lorenz, recently discussed how the EU can best support the government to take full control of its maritime security, which is essential for long-term stability of the country. Guess we will find out, but it seems unlikely that anything will stem the latest rising tide.

Over on the West coast things are little better. Indeed, armed attacks on ships in West African waters nearly doubled in 2016, with pirates increasingly focused on kidnapping their crew for ransom off Nigeria's coast. Oceans Beyond Piracy (OBP) recently estimated the total economic cost of maritime crime in West Africa at nearly \$794 million.

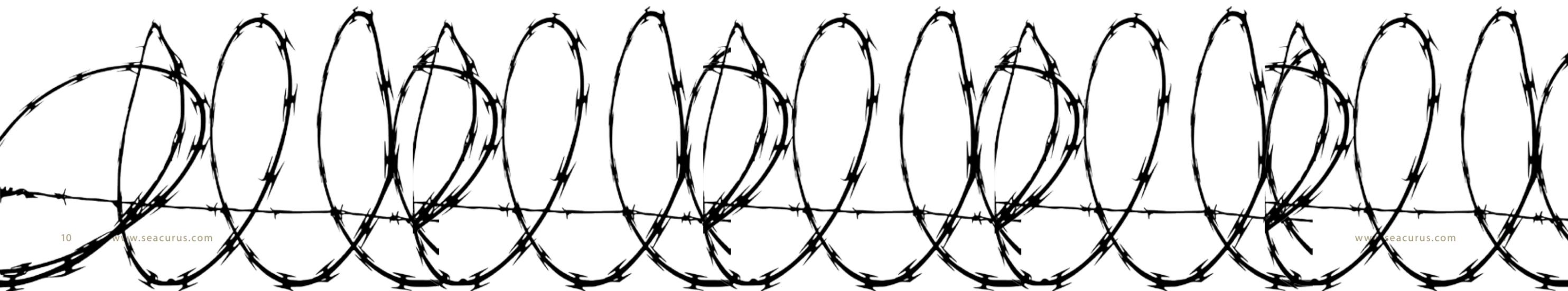
FINAL SALUTE

That is not to say there haven't been developments over the past few years which have held piracy at bay. Such progress has often come when single minded, skilled and determined people have stepped into the fray.

Once such personality was Giles Noakes, Head of Maritime Security at BIMCO. Giles sadly unexpectedly passed away last month, and his death has been greeted by much sadness across shipping as he was someone who got tough things done.

Giles joined BIMCO in January 2008 and made a significant and lasting contribution to the development of maritime security across the industry. He was well known and highly regarded, actively and expertly advising shipowners, operators, shipping associations, military, non-governmental organisations and government departments on maritime security issues.

He was particularly instrumental in the development of Best Management Practices for protection against Somalia based piracy. Giles was 62, and leaves a partner and 4 children. It is hoped that others will build on Giles' sterling work, and that more larger than life personalities can emerge to fill the huge void this loss represents.



ANATOMY OF AN ACCIDENT

Whatever aspect of shipping you particularly care most about, there is perhaps one thing which binds all parts of the chain together. Sadly that is often the fallout of an accident. Whether you deal in safety or investigations, claims or provide finance – somewhere along the line an accident can shake and shape us all. It seems perhaps no-one understands quite enough about them.

UNDERSTANDING THE CHAIN

The Swedish Club has just published "Anatomy of an Accident" which provides insights into serious vessel casualties. Illustrating just how easily an incident can escalate; the guide explores the various parties and processes involved in dealing with an emergency situation, and the complicated interplay between the cast of professionals involved in bringing an incident to a resolution.

You can access the report here <https://goo.gl/PdLWU1> and it makes fascinating reading. Showing, as it does, how the small problems line up. How one mistake or error of judgement, or failure to react can cascade and grow.

The report also stresses how important humans are in the chain – What you get from reading all this is a sense that even when autonomous ships arrive, there will still be many people involved when things go wrong. Perhaps even more than today.

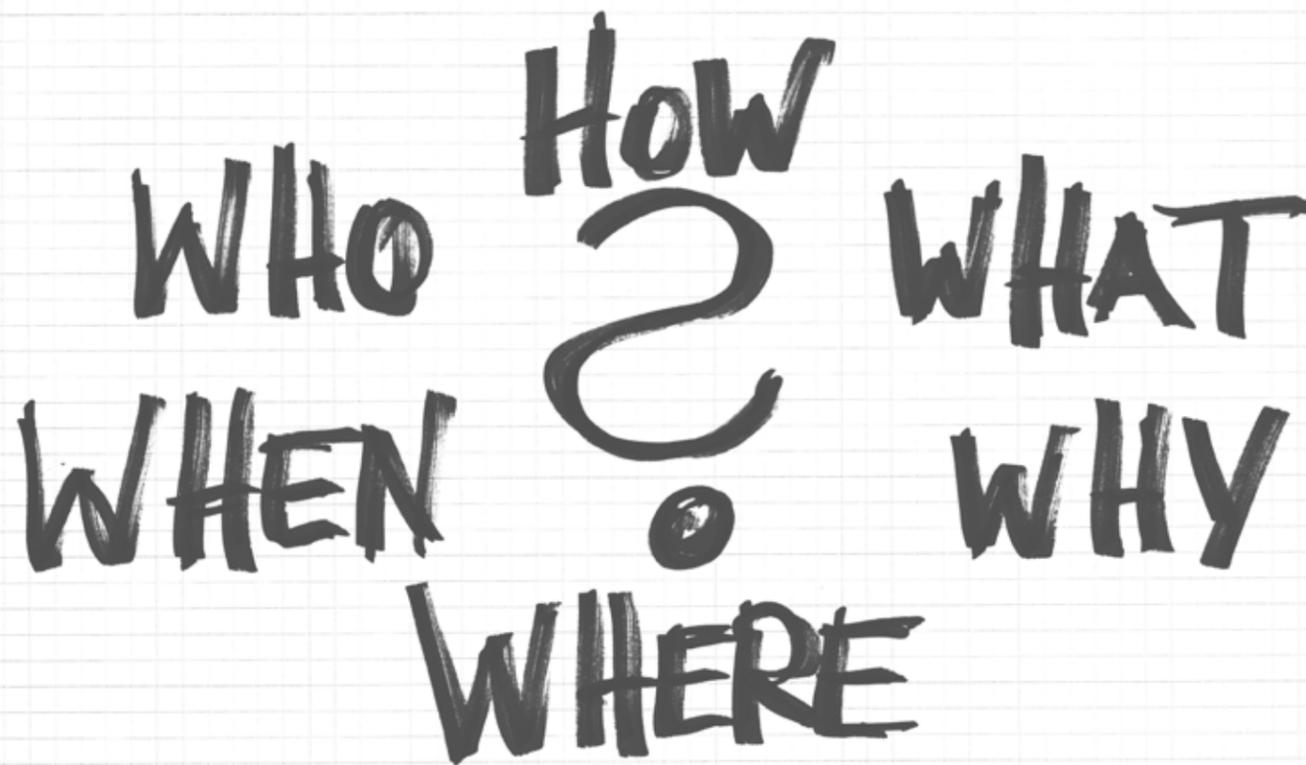
However, the point remains that human factors are vitally important, and can make the difference at all phases of an accident. This is a theme which has also been explored recently in a range of other industry studies.

DEADLY DOZEN

The Port of London Authority recently launched a safety campaign, focusing on the human element after analysis of incident data showed that it was the leading cause of navigational incidents on the tidal Thames in the last two years.

Chief harbourmaster, Bob Baker, said human error was linked to more than 40% of accidents on the river over that time. Baker said, "Often it's the simplest of things that trip people up, whether recognising that their mind's not on the job or suddenly thinking 'I wasn't clear in my instructions'"

The campaign draws on U.K. Maritime & Coastguard Agency guidance on the "deadly dozen," the 12-top people related factors. According to the MCA - There are 12 key aspects which need to be considered, but which often are.



These include:

1. Whether someone is fit for duty
2. Fatigue
3. Distractions
4. Pressure
5. Capability
6. Teamwork
7. Local practices
8. Culture
9. Complacency
10. Communication
11. Alerting
12. Situational Awareness

You can read more on the deadly dozen here, and it is well worth it <https://goo.gl/AoLNQp>

SAME OLD SAME OLD

Alas whenever safety is mentioned in relation to the sea, then the perennial problem of seafarer fatigue rears its ugly head. Last month the Maritime Safety Authority of Fiji (MSAF) expressed its concerns about seafarer overwork.

MSAF claimed that about 99 per cent of seafarers' fatalities were crew who were on watch non-stop for 24 hours in the high seas. They advised that seafarers must have sufficient rest to be able to be alert to avoid accidents and incidents. He also stated that it is about time for seafarers to have enough rest after a shift of work.

safety. The 6/6 watch keeping regime was found to be worse than the 8/8 in terms of the quantity and quality of sleep obtained. Levels of sleepiness, stress, and fatigue were lower with the 8/8 system.

How though will the message get through? There is pressure to reduce crew numbers, and it seems that safe manning certification is wildly at odds with the realities experienced at sea. Perhaps that means that an emphasis should be placed once more back onto the Maritime Labour Convention (MLC2006)?

Four years on from MLC 2006 coming into effect is time to assess what the positives are. If the Fijian figures are correct and 99% of deaths are down to fatigue and tiredness, it strongly hints the rules are not working. According to a researcher at the Seafarers' International Research Centre at Cardiff University, there are tough questions to be asked as to whether life at sea is any better.

MLC2006, the seafarers' 'Bill of Rights', promised improved employment and working conditions for seafarers. However, there seems to be a gap in what is given attention. There is a focus on safety, with seafarers expected to behave according to the company policy and apply the technical and procedural standards to prevent accidents and casualties. While these are important, there is concern that MLC is treating the symptoms not the disease. Seafarers are sleepwalking to their deaths, seemingly literally and metaphorically...and there needs to be more done to prevent it.

PROBLEMS WITH SUICIDE

The pressures on seafarers cannot be brushed away with tweaking of rules and regulations, it seems there are ever increasing problems relating to mental health – something which is seemingly being affected by issues such as fatigue, and associated stresses.

Just last month the Master of a containership committed suicide on a voyage from New York to Tilbury in the UK. "Santa Bettina", was a week into its voyage when the master apparently took his own life on board, leaving its crew members distraught and traumatised.

This is not an isolated case. The UK P&I Club has been putting the spotlight on seafarer mental health with suicide the cause of 15% of deaths at sea. In the case of seafarers young age, isolation and the impact of social media were all cited as factors.

Trade union Nautilus has supported calls for improved services to help seafarers deal with the increasing pressures of working at sea. The union has backed initiatives including action to raise awareness of the challenges and impact such as issues involving stress, fatigue, long working hours, and isolation.

Few would disagree, but it seems such consensus never really cuts through the problem and fixes it. One problem is of course that one size solution does not fit all. There are so many different vessels types doing so many things, that what is acceptable on one could be lethal on another.

For that reason, it is important to assess how the watchkeeping system actually works onboard. Last month the MCA released a research report into the eight hours on / eight hours off (8/8) watch keeping system which indicates it is preferable to a 6/6 system.

LATEST WATCHKEEPING THINKING

The aim of the MCA study was to determine the affect a system has on seafarer fatigue, performance and

MONTHLY NEWS ROUND-UP

Some of the other stories which have caught our collective eye in the past month.

Warning on Somali Piracy - Maritime security experts MAST have spoken out on the rising tide of piracy off Somalia. In their latest report they state, "Approaches against merchant vessels by small, fast boats containing armed men indicate that the threat to shipping remains high. The series of recent incidents confirm that the Gulf of Aden remains moderate to high (risk). Attacks in the Bab el-Mandeb and recent activity indicate that the risk to merchant shipping from threat elements within Yemen remains moderate to high." The piracy threat level in the HRA was previous low. This has been raised to moderate. <https://goo.gl/jlSbsN>

Death Ship Fears Confirmed - Two Filipino seamen who were working on the so-called "death ship" Sage Sagittarius died as a result of foul play, a Sydney coroner has found. Head chef Cesar Llanto, 42, died on August 2012 after either being thrown overboard or killed on the ship and his body disposed of later by a person or persons unknown, said NSW Deputy State Coroner Sharon Freund. He disappeared off the coast of Cairns and his body has never been found. Chief engineer, Hector Collado, 55, died a fortnight later on September 14, from multiple injuries he sustained after being struck over the head by some kind of weapon by a person or persons unknown as the ship entered Newcastle, the coroner said. Mr Collado was then either thrown over the handrail outside the ship's storeroom on the second deck or fell over the handrail to his death. <https://goo.gl/7ihwYS>

Keeping Kids from Piracy - A major step has been taken to raise awareness of the horrific abuse of children in piracy with the release of a handbook for the maritime security sector. The Roméo Dallaire Child Soldiers Initiative began academic research, in collaboration with Human Rights at Sea, the Dalhousie University Marine Piracy Project and the 100 Series Rules, in 2011. Following on from that, in 2016, Darin Reeves, Director of Training for the Dallaire Initiative, led their creation of Children Affected by Maritime Piracy: A Handbook for Maritime Security Sector Actors. On behalf of the Dallaire Initiative, Darin explains how children are involved, how their recruitment is intertwined with terrorism and how adults confronting them can suffer the consequences. <https://goo.gl/E6RwCH>

Police Raid Polaris Offices - The police have raided the Seoul and Busan offices of under fire Polaris Shipping as part of investigations into the sinking of the Stellar Daisy, an elderly converted ore carrier that went down in the South Atlantic at the end of March with the loss of 22 lives. Only two men survived the sinking. Since then Polaris has been hit by a string of other incidents across a number of other ships in its fleet, sparking a fleet-wide inspection. Police raided the two offices yesterday morning and took away all documents relating to the Stellar Daisy, including communication transcripts between the ship and its shore superintendents, the ship's navigation log, its repair record and its ship inspection history. Polaris has reached a compensation package with most of the families connected to the Stellar Daisy crew. <https://goo.gl/y0CeFB>

Crisis Comms Failings - Journalists have been lamenting the crisis communications response after CCTV footage of the May 4 collapse of a crane at DP World's flagship Jebel Ali terminal in Dubai came to light. The incident (which sources say is likely to cost DP World and its insurers north of \$35m) saw a delayed reaction from the core comms team. The accident happened on a Thursday but it was not until the following Monday – four days later emerged. Naturally the journalist chased the PR folk at DP World HQ straight away. It was only at this prodding that a statement went out. The lesson for companies is that it is better to be on the front foot and straight up about accidents like this, as with social media, etc sooner or later we, the press, will always be on to these big stories. <https://goo.gl/yPS1tB>

Owners Compliance Concerns - Asian shipowners have flagged concerns over practical onboard compliance with the Maritime Labour Convention (MLC) 2006 and the STCW Code. Following its agm in Taipei the Asian Shipowners' Association (ASA) said that one area of concern is practical onboard compliance with the work and rest hour provisions of MLC 2006 and STCW. The ASA is given to understand that some ships may not be maintaining correct records of work/rest hours, and urges all members to ensure that records are maintained correctly. In apparent reference the growth in onboard internet and the use of social media by seafarers in their free time, ASA added: "It is also important to impress on seafarers that rest is essential, and that other distractions should be kept to a minimum during rest periods so as to combat fatigue." <https://goo.gl/iNOA2A>

No Deal Means No Trade - Economists have warned that trade is likely to come to a halt if the UK fails to negotiate a deal in leaving the EU. Contrary to claims "no deal is better than a bad deal", the chief economist at ADS Group, Jeegar Kakkad, said no deal would be the "worst" option. "A bad deal is one with regulatory and economic divergence," he said. "It may require more forms be filled out, more bureaucracy, but we will still be able to trade – no deal means no trade." Senior economist at Dun & Bradstreet Markus Kuger said his firm was working on the premise that negotiations would throw up three scenarios. Scenario A, deemed both the most likely and best, would result in an amicable divorce, "parting as friends", with firm agreements, including on free trade. Scenario B means a breakdown in talks, leading to no deal and a return to WTO rules. <https://goo.gl/iXARIN>

Europeans on BREXIT Desires - European shipowners have published their priorities when it comes to Brexit negotiations outcome. The shipping community embodies a fundamental acquis of the EU: Free movement of goods and persons. ECSA believes that the current operating climate should be preserved as much as possible even after the Brexit. "European shipowners strongly believe that to the extent possible, EU and UK should aim for conformity in legislation relating to maritime affairs", said ECSA Secretary General Patrick Verhoeven, "It should really be recognised as a guiding objective for the Brexit negotiations", he added. An overall concern of EU shipowners relates to their competitiveness, among others in the fiscal area. With a possible new, attractive shipping centre just across the Channel, there is ever more reason to look at the EU's shipping policy. <https://goo.gl/x9NTkq>

Internet Driving Crew Decisions - North P&I Club is encouraging its shipowner members to consider the importance of internet access on their ships to ensure they continue to attract, recruit and retain high quality crews. The issue of internet access, part of a campaign by North to help its members get the right crew. "Like most other people today, seafarers expect to have 24-hour, seven-day-a-week access to a good quality internet service," commented head of loss prevention Tony Baker. "Engaging with friends and family and maintaining relationships via social media is now seen as the norm. In a competitive market for officers and crew, shipowners therefore need to do everything they can to provide good connectivity at sea". <https://goo.gl/WO2DOQ>

Radical Design Overhaul - Rolls-Royce has revealed a radical overhaul of its vessel design philosophy which aims to optimise construction and operations without reducing the use of space on board. In the process, it will ensure that a Rolls-Royce designed vessel, whether it is an offshore support vessel or an expedition cruise ship, is instantly recognisable world-wide. The new design incorporates four key features in each design. These are a knuckle line that slopes down towards the bow and links the new designs with older UT and NVC designs. A vertical side area and vertical upper stem which simplify the design and decouples the hull form from the superstructure. The vessels will also have a topside sheer line with a small convex curvature. These features will be present in all the designs in some form but can be modified depending on the ship type. <https://goo.gl/z79tIK>

Tick Boxes Fail Safety - The recent tragic accident of the "Stellar Daisy", which sank in the South Atlantic at the end of March with the loss of 22 lives, has reignited the ship safety debate. Benedikte Wentworth, CEO of Propel, a Norway-based maritime management consulting firm specialising in safety, reckons the whole industry needs to change its focus when it comes to maritime safety. Wentworth believes human failure tops the agenda of large global co-operations, including the oil majors and the company believes this focus will trigger a much-needed paradigm shift in shipping's approach to safety potentially threatening the business models of the dominant providers of safety services, including class societies, flag state control, port state control and vetting schemes. <https://goo.gl/CBhWeS>

Waking to New Threats - After a period of declining piracy incidents, a new spate of hijackings have taken place off the coast of Somalia. A recent report from the NGO Oceans Beyond Piracy (OBP) found that piracy is spreading and evolving. Beyond the HRA, attacks surged off the West Coast of Africa with 95 incidents in 2016, up from 54 in 2015. The majority took place in Nigerian waters. "What looked like one-off attacks on vessels is now looking more like a concerted and organized effort to attack shipping," says Alan Cole, head of Global Maritime Crime at the UN Office on Drugs and Crime. Some vessels have been cutting corners, and worse still, according to Chris Farrell, group commercial director of private security group Neptune Maritime Security such vessels often have "low freeboard, no armed guards, no razor wire and no deterrent." <https://goo.gl/Xbv3OX>

Addressing Key Performance Indicators - BIMCO's new Key Performance Indicator (KPI) software, we were given a first-hand look to a new interactive method for handling supply chain requirements, benchmarking fleet efficiency and automating the generation of reports for regulatory compliance (presumably, such reports only work only on a general level, rather than being adapted to the specific legal framework of the respective flag state). BIMCO members pay only a setup fee to begin using the KPI software – as an incentive! There is no ongoing cost to use the KPI software, as it is rolled into the BIMCO membership fee. <https://goo.gl/JrqDuz>

Eagerly Awaiting More Scrapping - While all shipping markets are eagerly awaiting more ship scrapping activity moving forward, in order to be able to alleviate the tonnage oversupply and stage a viable and sustainable recovery, things don't seem to be able to move that way. In its latest weekly report, the world's leading cash buyer of ships, GMS, said that "negotiations, fixtures and overall local activity ground to a virtual standstill this week with most end buyers focusing their attention on the budgets of Pakistan and Bangladesh, before deciding on whether to / what to offer on future tonnage". <https://goo.gl/PnG4It>

VLCC Sale Swoop - Euronav has sold one of its oldest VLCC named Ti Topaz for \$21m, leading to a capital loss of \$21m, an amount similar to the sale price. The 2002-built, 319,430-dwt VLCC is scheduled to be handed over to the new owner during the second quarter, ahead of its third Special Survey which will be performed by the new owner. Euronav said the capital loss will be recorded in this current quarter. "The book loss relates to the value of the ship in our books where assets follow straight line depreciation," Euronav stated. <https://goo.gl/bnEFVZ>

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