

SEACURUS BULLETIN

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LOBBYING IN THE SPOTLIGHT

SHAPE OF THINGS TO COME | ABANDONMENT ACTION CALLS | HACKS CONTINUE SPREADING FEAR



From abandonment to lobbying, cyber woes to trade booms and busts – we examine all of these issues in this latest edition. We also look at the latest trade and industry data from UNCTAD, and assess some straightforward thinking on the issue of maritime cyber security.



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Welcome

> Welcome once again to another round up and deeper examination of some of the maritime news stories which have caught our collective eye in the past few weeks. From abandonment to lobbying, cyber woes to trade booms and busts – there has been a lot going on.

We at Seacurus have long been leading the charge when it comes to tackling the issue of seafarer abandonment. Even before our CrewSEACURE insurance product hit the market, we had been driving the debate forward.

From our insurance perspective, we needed a pragmatic, financial based view of the problem. We just wanted to ensure that there was a mechanism that would see abandoned crews allowed home and with their rightful wages paid.

It wasn't for us to see seek retribution against errant and awful shipowners and employers...but it seems karma is coming, and there is a new campaign to disrupt the cosy relationship between owners who abandon crew and their support network across ship managers, trade associations and P&I Clubs.

The campaign is seeking to ensure that people don't do business with owners who have dropped their crews in it. If a company runs away from its own seafarers, then those who allow them to operate, and afford them legitimacy need to stop and look in the mirror.

Part of the problem in building pressure against those who cut and run, is the fact that the ILO database was not complete.

There have been issues with gathering sufficient data and details. This could be set to change, however, as RightShip is now stepping into the debate, and they are starting to use the ILO data as part of their own decision-making matrix.

That should mean that there is a greater emphasis on ensuring the ILO database is complete and up to date. Which has to be a good thing. It is early days, and hard to predict whether the campaign will work – but it's a good start, and the goal is worthy.

The issue of shipping associations and trade bodies has been in the media for another reason of late – they have been slammed for the ways in which they reportedly and allegedly attempt to block or stymie debate at the IMO.

A new report has claimed that they have been blocking climate change legislation, and heading off the pressure to see ships come under the Paris Climate agreement. The cosy arrangements of the IMO have been criticised, and the fact that paid business interests have been stalking the corridors of power has suddenly become of great concern.

Seems to us, that is the way it has always been – and it seems surprising that people are surprised. It has long been the way the IMO works – private companies running the flags of States, Classification Societies making sure that they are able to comply with the demands of “statehood”. These are the mechanisms of decades – perhaps even longer.

Now it seems, the pressure is ramping up. It is hard to see what changes will come about. After all, the actual shipping industry seems to respect and revere the process – so unless there is pressure from the United Nations to clear the floors and flaws, then it is impossible to see how they will deal with the inconvenient truth that the IMO relies on expert input from industry.

To then decry that insight, data, interpretation and analysis, seems a tad naïve. As we know with statistics, and with spin – the agenda may be set (literally) by the IMO – but it has long been the industry's own narrative that we hear and respond to.

Inside this issue we also look at the latest trade and industry data from UNCTAD, and assess some straightforward thinking on the issue of maritime cyber security – we hope you find it of interest, and as ever please do feel free to forward the Seacurus Monthly to friends and colleagues alike. <

All the best

Capt. Thomas Brown
Managing Director



LOBBYING IN THE SPOTLIGHT

Shipping can seem quite serene in some ways. The great and the good gather in London at the International Maritime Organization (IMO), they debate a bit and make up some new rules. Then everyone goes off back to their respective State or organisation to make it happen. However, all may not be as it seems.

SHADOWY WORLD OF SHIPPING

A study published last month by London-based non-profit organisation InfluenceMap claims corporations have unmatched power to shape regulations at the IMO. The report – “Corporate capture of the IMO” claims big business and major shipping trade groups are “actively and collectively” obstructing global climate change policy.

The claim is that “major flags of convenience” as well as BIMCO, the World Shipping Council and the ICS actually act as barriers to progress – something that has come especially to the fore in the debate over climate control.

The InfluenceMap report has been timed for release to coincide with the start of IMO climate talks, with the aim of putting the spotlight onto the horse trading, lobbying and plain obstruction that can occur when big business takes to the regulatory arena.

The report reveals how the shipping industry has aggressively lobbied the UN to obstruct climate change action for shipping, ensuring it remains the only sector in the world not currently subject to any emission reduction measures.

BUSINESS REPRESENTATIONS

Despite being responsible for close to 3% of global greenhouse gas emissions, the shipping sector remains outside of the UN Paris Climate Agreement. It is also claimed that progress on regulation has been stalled by powerful shipping trade associations. Groups which have collectively lobbied to delay implementation of any climate regulations until 2023 - even then refusing to support anything but voluntary regulations that may not reduce the sector’s overall greenhouse emissions.

InfluenceMap further uncovered that at the most recent IMO environmental committee meeting 31% of nations were represented in part by direct business interests. While also claiming that the IMO appears to be the only UN agency to allow such extensive corporate representation in the policy-making process.

You can access the report here: <https://influencemap.org/report/Corporate-capture-of-the-IMO-902bf81c05a0591c551f965020623fda>

The fact that business interests have percolated through a body which exists to actually manage a global business should perhaps be of little surprise. While it would perhaps be nice to think that they may not press or lobby for their own best interests – they would be likely be out of a job if they didn’t.

That is how such groups work. They exist to promote the best interests of their members. So, to think that they wouldn’t be interfering with the findings or deliberations at the IMO would be rather odd.

STRUCTURAL FAILINGS

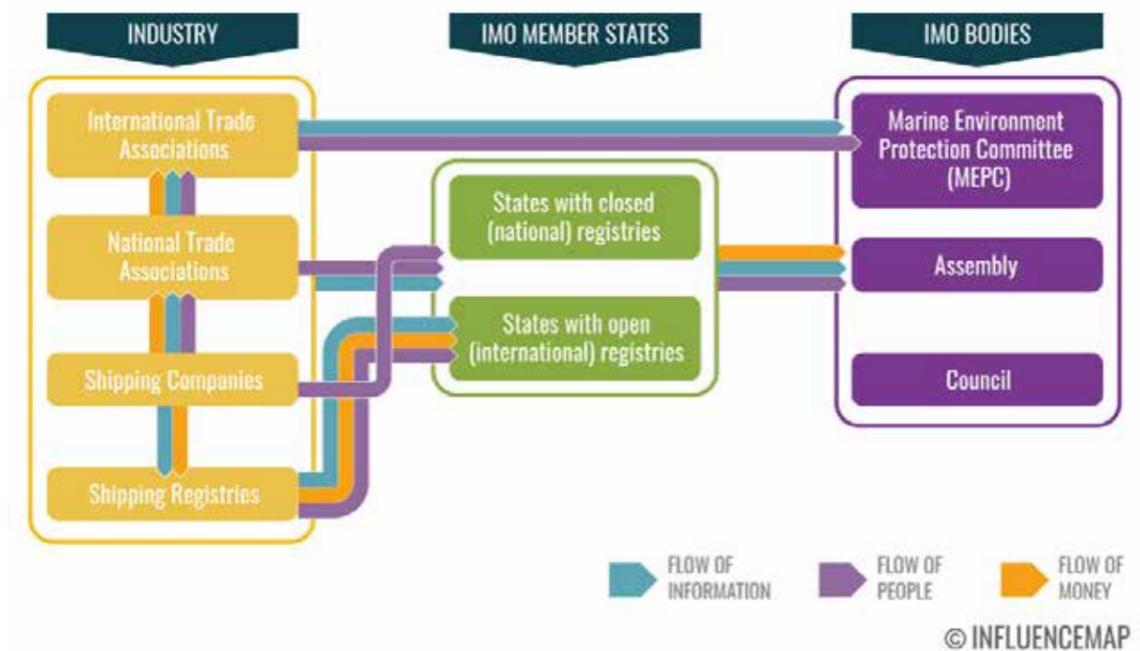
Depending on where your loyalties lie, almost every football luminary from Bill Shankly to Brian Clough is meant to have uttered the quote, “if he’s not interfering with play, what’s he doing on the pitch?”. The old footballing gods were talking about dubious offside decisions, but a similar line of thinking could be applied to the apparent shock that shipping industry bodies could be influencing decisions at the IMO.

If they weren’t pushing their own agenda what the heck would they be doing there? Now, it could be that such groups do wield unhealthy amounts of influence and power. Perhaps the IMO structure itself is to blame. They do place an inordinate amount of faith in industry to provide answers. That can be positive, but as we are perhaps now seeing the real game is to promote self-interests.

Shipping is a cut throat, cynical, hard ball, dangerous, risky and aggressive business. It always has been – from Viking traders, to British privateers, and nowadays onto huge global corporations. The goal has been to maximise whatever you can and should.

We are seeing that history and heritage following its natural path. We may have swapped armour and axes for pin stripes and brogues, but the same pursuit of the business mission remains.

Corporate Capture of the IMO



SMALL ECO CAVEAT

Going even further, there is a real desire from the IMO to have such non-governmental international organisations involved. Indeed, they are recognised for their capability to make a “substantial contribution to the work of IMO”. So, the IMO has clearly chosen to dance with the devil, and sometimes struggles to call the tune.

Perhaps the sticking point in all this, is the question of whether the NGOs, and their considerable shipping knowledge are really able to contribute to the debate on the environment? Sure, they can tell you whether the bottom line of business is going to be affected, they can tell you all about double bottoms. Are they actually qualified to talk about climate change and the environment? In all honesty the answer would have to be no...or at best a “not really”.

There are no climate scientists in the organisations, and while they undoubtedly gather data on emissions it would be a real stretch of the imagination to suppose they do so with a view to tackling asthma in Chinese port workers and the like.

The data they gather and analyse is for backing up arguments – and the arguments are that shipping shouldn’t have to suffer from the noose of draconian environmental legislation. To expect it to be any other way, seems a tad naïve.

THEY ARE NOT AMUSED

The InfluenceMap report has not been welcomed or accepted, and two of the leading shipowning organisations hit back at the allegations they are holding back the environmental debate. Esben Poulsen, the chairman of ICS, disputed the study, saying his organisation has been leading, not hindering, talks to cut shipping emissions.

In a statement to Splash24/7, he stated, “The position we are taking at the IMO meeting ... is public and transparent”, adding: “Far from seeking to derail progress it was the shipping industry which played a large part in persuading IMO member states to develop a strategy to address the further reduction of the sector’s emissions following the adoption of the Paris Agreement.” While a spokesperson for BIMCO echoed the ICS stance.

The assertions may or may not be true, the statistics (as they always are) can be skewed and made to paint whatever they are chosen to. Perhaps instead, we should look to a flag State...the second biggest in fact to see the dilemma at the heart of shipping.

As a business (International Registries) the Marshall Islands flag is a major facilitator of global shipping. As a nation, however, they are fighting hard against climate change – and seeking to save themselves from going under...literally. The country is increasingly calling the shots on climate change, and that may in itself steer the IMO model back on track.

SHAPE OF THINGS TO COME

Anoraks of the shipping world get quite hot under the collar when the latest United Nations Conference on Trade and Development (UNCTAD) “Review of Maritime Transport” is announced. Last month saw the 2017 report released, and we have pored over the data, and looked at some key issues.

CRUNCHING NUMBERS

The Review of Maritime Transport is a recurrent publication prepared by the UNCTAD secretariat. Since 1968 it has been published with the aim of fostering, “the transparency of maritime markets and analysing relevant developments”.

The UN body states that with over 80 per cent of global trade by volume and more than 70 per cent of its value being carried on board ships and handled by seaports worldwide, the importance of maritime transport for trade and development cannot be overemphasized.

This latest report forecasts world seaborne trade to increase by 2.8 per cent in 2017, with total volumes reaching 10.6 billion tons. Projections for the medium term also point to continued expansion, with volumes growing at an estimated compound annual growth rate of 3.2 per cent between 2017 and 2022. Cargo flows are set to expand across all segments, with containerized and major dry bulk commodities trades recording the fastest growth.

For the fifth year in a row, world fleet growth has been decelerating. Nevertheless, the supply of ship-carrying capacity increased faster than demand, leading to a continued situation of global overcapacity and downward pressure on freight rates and earnings.

MONEY TALKS

The report naturally finds that the current “low demand–high overcapacity” business environment has constrained freight rates and dampened profitability in most shipping market segments. The stark financial position is laid bare – and the data shows that the collective operating loss reported by the container-shipping market in 2016 amounted to \$3.5 billion.

In 2017, projected growth in world shipping demand and continued management of ship supply capacity are likely to support improved market fundamentals and therefore support freight rates.

However, the reports stresses that for this to materialise, it will be necessary to reduce ship supply overcapacity by building less ships and increase scrapping and capacity sharing, for example, through alliances.

The recent mergers and mega alliances among container carriers can support better handling of supply and fleet utilization, which in turn can help improve the container-shipping sector’s financial situation. However, there is a danger that the growing market concentration may lead to oligopolistic structures.

There are concerns therefore that regulators will need to monitor developments in container-shipping mergers and alliances to ensure competition in the market. It may also be necessary to revisit the rules governing consortiums and alliances to determine whether these would require revised regulation. This will make it possible to balance the interests of shippers, ports and carriers to prevent potential market power abuse.

FLEET EFFECTS

The UNCTAD review takes a look at different ship types, and plots a course for the future.

Tankers: For the tanker trade, it was stated that there has been continued growth amid a surplus in oil market supply and low oil prices. Supported by firm import demand in China, India and the United States, for the second consecutive year, crude oil shipments expanded by 4.3 per cent in 2016, reaching an estimated total volume of 1.8 billion tons. Demand for refined oil products was generally supported by a low oil price environment, so owners could take benefits of cargo flow.

Dry Cargo: Looking at the dry cargo trades, it was seen that overall weak global investment and industrial activity weighed down the dry bulk trade. The sector continues to be heavily dependent on developments in China, and while world demand for dry bulk commodities grew at a modest rate of 1.3 per cent, taking total shipments to 4.9 billion tons. China remained the primary source of growth, owing to the positive impact of the stimulus measures introduced during the year.

Within the dry bulk segment, trade in the major bulk commodities increased by 1.6 per cent. Iron ore trade showed the strongest growth with volumes expanding by 3.4 per cent, reaching 1.4 billion tons in 2016. Imports into China increased by over 7 per cent, reflecting the country’s steel output growth, falling domestic iron ore production, growing stockpiling activity and access to affordable, high-quality iron ore from Australia and Brazil.

However, the coal trade diminished in 2016, owing to flat demand for coal. While the grain trade grew by an estimated 3.7 per cent in 2016 as imports into the European Union rose sharply, owing to poor harvests in some producing member countries.

Container trade: Following a modest expansion of 1.2 per cent in 2015, global containerised trade expanded at a faster rate of 3.1 per cent in 2016, with volumes attaining an estimated 140 million 20-foot equivalent units (TEUs). It seems that recovery was driven by volume growth in the peak leg of the Asia–Europe trade, where volumes contracted in 2015.

However, the troubles experienced by the liner shipping industry since 2008/2009 highlight the difficulties for the sector to adapt to the seemingly “new normal”, where merchandise trade flows are growing at a slower pace than GDP. In an oversupplied market characterised by mega containerships (over 18,000 TEUs) and overall weak growth in global demand, the shipping industry has turned to consolidation and rationalisation to optimize capacity utilisation and reduce costs. It remains unclear whether this is a temporary cyclical development or a permanent structural shift.

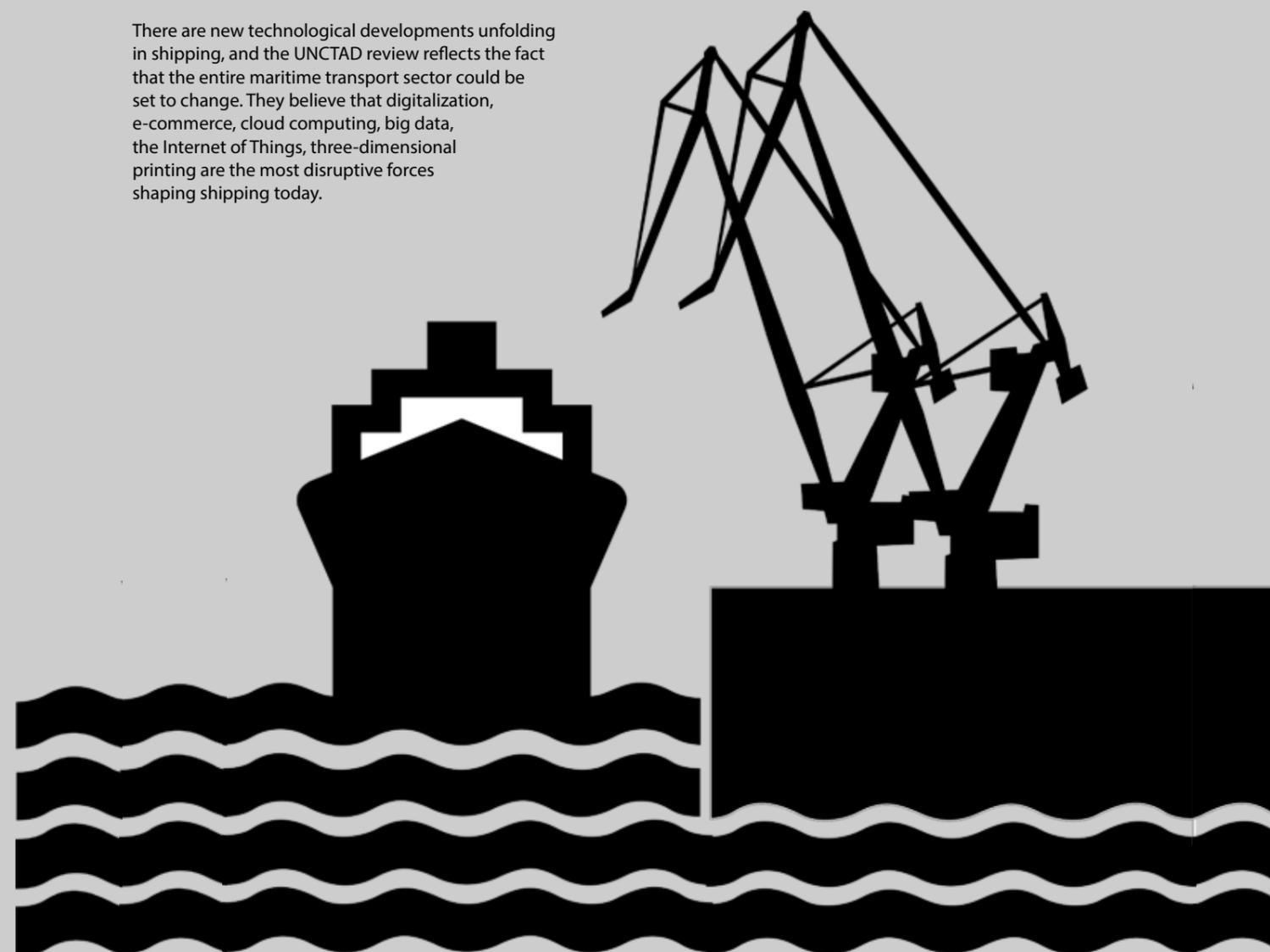
NEW DEVELOPMENTS

There are new technological developments unfolding in shipping, and the UNCTAD review reflects the fact that the entire maritime transport sector could be set to change. They believe that digitalization, e-commerce, cloud computing, big data, the Internet of Things, three-dimensional printing are the most disruptive forces shaping shipping today.

They state claims by Price Waterhouse Coopers that as much as 37 per cent of container shipping operations and related freight flows could be threatened by three-dimensional printing – though others dispute that. Whatever the exact figures, there is likely to be a big impact.

The rapid expansion of e-commerce is to a large extent enabled by digitalization and the use of electronic platforms. The review emphasises the ascertain that e-commerce will likely have a transformational effect on transport and supply chains. With growth in the strategic distribution support centres for both cross-border and domestic e-commerce transactions and a rise in business models that favour the emergence of shipping as the main mode of transport.

In preparation for the projected growth in world seaborne trade volumes that will be required if the e-commerce boom does come to pass, there will be implications for ship carrying capacity, maritime transport connectivity, port performance and capacity requirements. Trade policy, infrastructure development as well as technology and e-commerce will be key. As for the impact of BREXIT? Well that may be something to look forward to in next years’ report – see the 2017 version at http://unctad.org/en/PublicationsLibrary/rmt2017_en.pdf



ABANDONMENT ACTION CALLS

Fashion is a funny old thing – it waxes and wanes, from bell bottoms to skinny jeans, hipster beards to smoothly shaven fizzogs. It seems suddenly, the issue of tackling seafarer abandonment has become quite the vogue. Is this a case of style over substance though?

FROM CATTLE TO SEAFARERS

The latest burst of enthusiasm has been led by the news outlet, Splash24/7. They have found the urge to tackle seafarer abandonment and the terrible treatment meted out to some crews.

Which on the face of it is great news, and to be applauded. It is great to see the focus come onto seafarers. Lest we forget, there has been more effort to look after live animal exports than crews, so this is long overdue.

Anyway, thankfully the time has come to press for better treatment of crews, and to force action against those who have, or may be tempted to cut and run when things go bad. All too often shipowners have abandoned crews, but have then gone on to simply return to business as normal. Which is a very sorry tale indeed.

The Splash24/7 campaign has gone straight for the jugular this time round. They have rounded on the levers of power and influence by trying to shame ship managers, insurers and trade associations.

RATTLING CAGES

In a concerted effort to raise awareness and to get a response, they have been attempting to rattle sufficient industry cages. Hoping to force a new way of dealing with the all too common problem of crews being left in the lurch.

There have been calls for International Maritime Organization (IMO) member States to establish a fund similar to the fund convention for oil pollution damages to ensure seafarers are paid their wages and repatriated in a timely manner when a ship runs into financial trouble.

Though of course, there is already meant to be a financial mechanism in place – so this is surely just a semantic argument. Where the cash comes from to clear the debts of owners who abandon crews is an important question, but perhaps not the single most important one.

The real issue is how and why do owners who cut and run feel they can get away with it? Why do they feel that they can shrug and leave their colleagues, the people who have worked so hard for their business to their fate? Never leave a man behind is the soldiers creed, it seems it doesn't translate to the sea.

THE TRUE COSTS

It is a truism which is often trotted out, that without seafarers' half the world would freeze and the other half would starve. So, we do indeed owe those who go down to the sea in ships a huge debt of gratitude. Sadly, that doesn't always translate into cash when things go wrong.

Indeed, for all the strong words and noble intentions, rhetoric does not do much to help seafarers in an actual situation. There is no systematic international process for dealing with abandonment. According to Seafarers International Research Centre the consuls of some countries often have no awareness of these aspects of shipping and their role in such situations.

If seafarers are abandoned in ports without the wherewithal and the sympathy, understanding and experience of immigration officers, they are treated as illegal immigrants and can even be deported. As if losing hard fought wages isn't enough – but to be treated like some illegal alien really is adding insult to injury.

Though recently it has been seen that India is leading positively in this regard. The officials in the Indian embassy in the United Arab Emirates (UAE) have been extremely robust in their approach to both helping their seafarers, and slamming the tactics of owners who abandon them. Something which must hearten crews and worry errant owners – just as it should.

WHO CARES

Back to the Splash24/7 campaign – the first part of the industry they sought to pressure and gain answers from was the ship management community. According to their website, the world's largest third-party ship managers with one notable exception – Executive Ship Management – pledged not to conduct business with any owner who has a recent history of abandoning crews.

According to a report, the heads of V.Group, Anglo-Eastern Univan, Wallem Group, Bernhard Schulte Shipmanagement, Columbia Marlow, Fleet Management and Thome Group have all signed up to the initiative with other sectors in shipping also being canvassed to shun shipowners who abandon crews.

That all sounds extremely promising – but, with the ILO database currently not wholly representative of the complete abandonment picture, it remains unclear as to how they would police their own bold promises.

Thankfully, it seems that the ILO database is to be promulgated by a third party. In a potentially significant move against crew abandonment, RightShip, the third-party ship vetting service, has now taken the database created by the International Labour Organization and the International Maritime Organization, which lists abandoned ships, with a view to adding the details of these vessels to the company's data sets.

The current database is available to view online at the following link: <http://www.ilo.org/dyn/seafarers/seafarersbrowse.home>

CIRCLING THE SQUARE

With RightShip including abandonment data – assuming the database is kept up to date – and there are still concerns about reporting. Then with that in place, it does look like there could be signs of some progress. The sad fact is, as James Wilkes of Gray Page stated in Splash24/7, modern shipping is systemically and culturally ill-suited toward intervening early to nip abandonment problems in the bud.

That is right – there is simply little will or appetite to tackle issues until they go so horribly wrong that there is no option but to roll the sleeves up and get stuck in. When things are going well, no-one needs to act, when things are heading to trouble, then no-one seeming wants to interfere. It is only when things really mess up that things need clearing up.

The campaign has focused on P&I Clubs and trade associations alike caught in the abandonment cross fire. According to a series of articles, neither Intertanko, nor its dry bulk counterpart, Intercargo, would apparently go on the record to hit out at owners who have ditched their staff at sea. Thankfully the International Chamber of Shipping, was seemingly more circumspect, and was willing to slam the small minority who bring shame on the industry.

The secretary-general of the IMO, Kitack Lim perhaps best summed up this new mood and unwillingness to accept abandonment. He recently spoke of shipping's "human duty" to ensure crew abandonment is kicked out. He urged port and flag States to cooperate and said that abandonment is a humanitarian issue. Where we fail to address the needs of humans, it leaves a stain on the shipping industry – and so we need to collectively find the answers to end such abuses.



HACKS CONTINUE SPREADING FEAR

There is a danger for anyone writing about shipping these days - down the cyber rabbit hole you go, lured by tales of hacking and technological terrorists. The fact is that this cannot be ignored, there needs to be answers when it comes to keeping crew safe, shipping secure, and trade flowing.

ANOTHER COMPANY SUFFERS

Another month, and news that yet another shipowner has reportedly fallen foul of a cyber attack. This time round it seems BW Group was targeted and suffered an "unauthorised access".

Talking of the attack, a BW Group spokesperson claimed that internal and external communications to customers and stakeholders were not impacted and stressed that it was "business as usual".

However, that probably doesn't quite tell the whole story - as there was a need for the company to work around planned system downtimes, and implement a security response. The incident is said to have taken place just a month after the ransomware attack on Danish shipping giant AP Moller Maersk, though it is understood this breach was not ransomware related.

This is likely to be an ever more common news story - as more cyber-attacks are anticipated, as shipping sets its sights on increased digitalisation and further embraces technology onboard ships. It highlights the fact that big respected companies are struggling to hold back the tide of attacks, which should be a worry for us all.

EXPOSING SHIPPING'S FLAWS

So, all in all it's been quite a month for maritime cyber security - and it seems that almost every media outlet has awoken to the cyber vulnerabilities that are now haunting so many ships worldwide. Prompted it seems by companies who sell cyber solutions...

Ethical hackers or "security consultants" - call them what you will, they are seeking to highlight the problems. Which is fine, but it seems they are doing so without much thought for the encouragement they may be giving to non-ethical hackers...the criminals. This is a real concern.

In the past couple of months, almost every manufacturer of satellite communications equipment has been in the spotlight as cyber security experts have seemingly gleefully picked holes in the equipment, security and measures taken to protect it.

Across blog posts and online media, experts have been detailing shipping industry security vulnerabilities such as weak passwords, easily exploitable satellite antennae and other misconfigurations that can be identified by conducting searches for internet-connected devices.

BALANCING ACT

It is welcome that security flaws are exposed especially if it means that they can be fixed, but there are concerns that the tone of the revelations is likely to do more for those attacking vessels than those protecting them. Exposing the flaws and potential vulnerabilities is one thing, but should it be to an open audience? Should the debate be in private? Should the cyber security experts make sure that they inform those affected before they take to public platforms?

This is perhaps a moral question, but a business one too. The word "security" has meant many different things in shipping. From pirates and terrorists, through to smugglers et al. Now it also affects hackers and online actors.

We know there is much work to be done. Many of the industrial control systems (ICS) used on ships were designed long before most shipowners began to understand cybersecurity or actively monitor emerging threats. Today, as ships are connected to all kinds of technology then the learning curve is steep and increasingly public.

Taking to the floor at conferences, blithely blogging and running to the press to highlight problems is perhaps a natural approach as companies look to secure business.



If that means they are potentially undermining their client base, then that is another problem altogether.

DO WE CARE?

With repeated attacks, and our cyber failings in the face of them writ large in the press, it seems we have to ask whether shipping cares enough about cyber security? That was the question posed by Moore Stephens cyber security partner Steve Williams recently.

Williams, speaking at the launch of a new cyber training initiative said "It's the same with every industry. Nobody cares until there's a problem. It's not a criticism of the [shipping] industry, it's just a fact."

The launch of the KVH Videotel cyber security training programme developed by in partnership with BIMCO, was a chance for the industry to ask some tough and searching questions about the current response to cyber security. It was stated that a general lack of concern across the wider shipping industry is a key obstacle to improving cyber security.

Williams added, that cyber attacks were pervasive across all business, government and NGO sectors. "50-90% of organisations will get hit by a cyber attack. Why should [shipping] think that we're any different?" Why indeed.

PEOPLE PROBLEMS

It was also stressed that many cyber incidents on board are being triggered not maliciously, but through ignorance or a lack of training and awareness. All too often seafarers are opening phishing email attachments or hyperlinks, or using infected removable media.

So, to minimise the risks personnel need to be made more aware of the cyber role and responsibilities. Which is fine and correct. That shouldn't let equipment manufacturers off the hook though.

Take a look at ECDIS for instance - often the equipment gets updates from removable media, in the form of USB sticks. Ok, so far so normal. However, given the fact that so many viruses and problems also come from the same sticks - why, oh why are we using the same shaped holes that any seafarer can shove any old pen drive into?

Surely some form of proprietary shape or means of only using approved, dedicated and specialised drives should be used. The U in USB is for "Universal" - but that is the last thing you want. So, like diesel and petrol nozzles don't fit into each other, there must be a simple hardware fix that can protect the software. If we are clever enough to invent amazing equipment, we should be cunning enough to protect it too.

MONTHLY NEWS ROUND-UP

Some of the other stories that caught our eye last month

50k Box Ships Coming --Consultants McKinsey has issued a report looking at container shipping 50 years from now, a time when it predicts ships will be autonomous and capable of carrying up to 50,000 teu. By 2067, McKinsey predicts autonomous 50,000 teu ships will plough the seas, perhaps alongside modular, drone-like floating containers — in a world where the volume of container trade is anything from two to five times greater than it is today. In terms of scale, the current record breaking 22,000 teu ships under construction for MSC and CMA CGM could be dwarfed in years to come, McKinsey believed. <https://goo.gl/PEHpph>

Owners Want Armed Guards -- In order to combat the long-standing piracy threat in the Gulf of Guinea, the European Community Shipowners Association (ECSA) has called for agreements that would permit EU-flagged vessels to carry armed contractors in the region. "As the use of armed guards in the territorial waters of the Gulf of Guinea littoral states is not permitted due to national legal restrictions, initiatives should be undertaken to explore possibilities for the conclusion of an agreement between the E.U. and its member states with the Gulf of Guinea littoral states aiming at the permission of the use of private security guards by E.U.-flagged vessels". <https://goo.gl/D5aCmS>

Stowaways Threaten Crew -- Uruguayan Navy has detained four stowaways that threatened the crew aboard the bulk carrier "Friederike". The four men reportedly boarded the 57,400 dwt bulker while it was in the Nigerian port of Lagos. In the morning hours the authorities received a distress call from the ship's captain saying that the stowaways mutinied and threatened the crew members during the voyage. According to AIS data provided by Marine Traffic, the ship was on its way to the port of Recalada in Argentina when the distress call was sent out. <https://goo.gl/mMejU8>

Global Piracy Concerns -- Global piracy continues to be a concern in the Gulf of Guinea, Southeast Asia and Venezuela, according to statistics released yesterday by the International Chamber of Commerce's International Maritime Bureau (IMB). In the first nine months of 2017, 121 incidents of piracy and armed robbery against ships were reported, including 92 vessels boarded with five hijackings, 11 attempted attacks and 13 vessels fired upon. While this is a decrease compared to statistics from the same period in 2016, the report shows that attacks in the Gulf of Guinea and Southeast Asia are still an issue. <https://goo.gl/ZH8Vfy>

Owners Crave BMP Update -- Asian shipowners say the Best Management Practices version 4 (BMP4) for protection against piracy needs updated in light of the changes to the threat faced by shipping in the Red Sea and Horn of Africa region. The Asian Shipowners Association (ASA) Safe Navigation & Environment Committee (SNEC) noted that the piracy situation of East Africa and had stabilised with a mix of naval deployments, use of private armed security and widespread adoption of BMP4. "The situation in the region has grown increasingly complex...particularly in Yemen, and an increased risk from other threats such as terrorism," the group said. <https://goo.gl/hqVtvx>

Overconfidence Creeps In -- The U.K. Marine Accident Investigation Branch (MAIB) has released its report on the grounding of the ultra-large container vessel CMA CGM Vasco de Gama, citing that onboard navigation standards did not meet the expectations of the port involved. "It was apparent that complacency and a degree of overconfidence on the part of the master and port pilots contributed to this accident," states the report. "However, it was also apparent from recent similar incidents and the findings of previous MAIB reports that many of the practices evident in this case were not specific to this single pilotage act or to CMA CGM Vasco de Gama." <https://goo.gl/ok1z1b>

ECDIS Safety Concerns -- The UK's Marine Accident Investigation Branch (MAIB) has started a safety study, in collaboration with the Danish Maritime Accident Investigation Board, looking at the way electronic chart and display information systems (ECDIS) are currently being used onboard ships. The study comes in the wake of MAIB's just published report into the December 2016 grounding of the "Muros" bulk carrier off the coast of eastern England, in which it was found that ECDIS use onboard was not as envisaged by regulators or equipment manufacturers, an issue MAIB has noted on a number of other shipping incidents in recent years. <https://goo.gl/H7anrJ>

Maersk Black List Switch -- Four Maersk Line vessels switched to black-listed flags shortly before they departed on their final journey to shipbreaking yards in Alang. This move was likely done to save money on salaries, safety and insurance before the vessels were to be scrapped on the Indian beaches, several observers tell ShippingWatch. All four vessels have been sold to the cash-buyers in Singapore and the flag change happened under their control and ownership, for the final trip to Alang" MAERSK GROUP The four container ships arrived in India from January 2017 to July 2017. Before then, they were re-flagged to the flag-states Comoros and Palau. <https://goo.gl/6QziCC>

Record Year for Panama Canal - Following the close of its 2017 fiscal year (FY17), the Panama Canal announced that the waterway welcomed a record 403.8 million Panama Canal tons (PC/UMS) of cargo in FY17, the largest amount of annual tonnage ever transited in its 103-year history. The 22.2 percent increase from the previous year can be directly attributed to the added capacity provided by the Expanded Canal. According to figures, the Panama Canal transited a total of 13,548 vessels during its FY17, representing a 3.3 percent increase compared to totals the year before. <https://goo.gl/YhAQHC>

Ten Rivers Killing the Seas -- A group of scientists have found that up to 95 percent of plastic polluting the world's oceans comes from just 10 rivers, eight of which are in Asia. An estimated eight million of tons of plastic waste enter the world's oceans every year, and rivers are major transporters of the pollution. 79 sampling sites along 57 rivers around come up with the top 10 polluting rivers, these are Yangtze, Indus, Yellow, Hai He, Nile, Ganges, Pearl, Amur, Niger and Mekong. <https://goo.gl/co23MY>

The Safety Culture Question -- "When even the master doesn't bother to look out of the bridge windows when leaving port, you probably have a problem with your safety culture," said Steve Clinch, chief inspector of marine accidents for the Marine Accident Investigation Branch (MAIB), in a presentation to the UK Chamber of Shipping. But what is "safety culture"? This question was something the event sought to define and how shipping companies might go about establishing or improving safety culture within their own organisations. In other words, it's what makes people care about working safely. <https://goo.gl/6DNzVP>

Crazy Efficiency Plans -- Imagine writing a diet plan to lose weight where your calorific targets consistently exceeded what you were actually eating. Bizarre as it sounds, that's effectively what the UN's shipping body – the International Maritime Organization – did when it released efficiency standards for the global fleet in 2013. By declaring the global fleet was way less efficient than it really was when these standards took effect, the IMO stumbled on a plan where in theory it couldn't lose. Ships would be required to be more energy efficient making the IMO and sector look good. New research illustrates just how flawed the EEDI is. <https://goo.gl/PTeuc7>

Hacking Naval Plans -- North Korea stands accused of hacking into one of the world's top shipbuilders. A South Korean politician has claimed the Kim Jung Un regime stole warship blueprints from Daewoo Shipbuilding & Marine Engineering (DSME). The South Korean government is now in touch with DSME to try and strengthen the yard's cyber resilience. North Korean hackers have been accused of many cyber attacks this year, including the WannaCry ransomware attack in May. <https://goo.gl/4ynov2>

UK Shipping Concerned -- The head of the UK's shipping industry trade body says the Government finally understands the "catastrophic" impact a no-deal Brexit scenario could have on trade, but claims EU authorities are failing to prepare for that outcome. UK Chamber of Shipping chief executive Guy Platten said the most immediate concern is how a hard Brexit with no transition period would affect the ferrying of freight across the Channel. <https://goo.gl/kojklD>

ICS Tanker Concerns -- The Canadian Parliament is giving consideration to legislation that could ban the shipment of crude oil in the waters of northern British Columbia. The International Chamber of Shipping (ICS) has voiced its "deep concern" about this proposed legislation which it says will interfere with international maritime trade. "Such a draconian step could lead to serious concerns being raised by Canada's international trading partners," said ICS director of policy and external relations, Simon Bennett. <https://goo.gl/XftmFc>

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