

Featured *MSP Perspective*:

Piracy in Southeast Asia: The Risks of Overstating the Threat

– p. 1

By Sam Bateman

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MSP PERSPECTIVES



Piracy in Southeast Asia: The Risks of Overstating the Threat

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Recent media reports suggest that piracy in Southeast Asia had surged with the number of attacks in the region topping 150 in 2013. Some reports have suggested that Southeast Asia is now the worst region in the world for piracy.

These reports quoting the absolute number of attacks in the region are misleading. They overstate the risks of piracy and could lead to higher shipping costs and inappropriate responses. To obtain an accurate appreciation of the current situation with piracy and sea robbery, it is necessary to look more closely at individual attacks, at what types of ship are being attacked, and where they are when attacked.

Of the 150 attacks reported in regional waters in 2013, 110 involved ships in port either at anchor or alongside, mostly in or near ports in Indonesia. Most attacks only involved petty theft. This leads to a basic source of distortion because a very minor incident of petty theft from a ship in port counts as one attack equivalent to a major incident of ship hijacking. This inflates the number of attacks and can lead to incorrect assessments of the responses required.

While the vulnerability of a ship underway depends on factors, such as size of ship and crew, speed, and freeboard, any ship at all may be attacked while in port. The responses to these attacks include enhanced security by port authorities and better security onboard ships in the high risk ports. Alert deck watchkeepers will usually prevent an incident of petty theft.

The more serious attacks in the region involved small product tankers and tugs and barges, some of which were hijacked. Due to their size, relatively slow speed and low freeboard, these types of vessel are particularly vulnerable to attack. A further problem arises because some may not be compliant with the International Ship and Port Facility Security (ISPS)

Code which applies to many of these vessels and prescribes mandatory security requirements for them.

In recent times, small product tankers have been hijacked for several days while some or all of their cargo, usually marine gas oil, is siphoned off into a similar vessel. This suggests transnational organised crime with suspicions of an 'inside job' and possible corrupt officials. It may also be significant that most ships attacked in this way are sub-standard not fully compliant with international standards of security, safety and crew qualifications.

Attacks on tugs and barges usually involve the theft of cash and valuables but some have been more serious hijackings. While the barge is usually recovered, in several incidents the tug has not been recovered likely being recycled and put to use under another name. This is possible because most of these small vessels are not required to comply with the ISPS Code.

Overstating the risks of piracy may cause an over-reaction from the international community with extra costs for shipowners and higher charges for shippers. Extra costs might arise from increased insurance premiums and additional security, including possibly armed security guards. In an extreme example of over-reaction, ships may be deterred from using the Malacca and Singapore straits with significant economic implications for Singapore in particular.

Basing response measures on 'shock – horror' reports of the hijacking of small tankers and tugs can also lead to recommendations for excessive and unnecessary measures, such as the employment of armed guards and physical measures more appropriate to larger vessels off Somalia or in the Gulf of Guinea. The small vessels being hijacked are unlikely to use costly security measures, such as armed guards.

The main requirement to reduce the hijacking of small vessels is more effective inter-agency coordination both at sea and onshore. As such attacks are invariably transnational in nature, close cooperation is required between regional police forces to deal with this form of maritime crime. Most hijackings are so brazen that it's surprising that investigations have not already led to the arrest of the perpetrators.

Private maritime security companies (PMSCs) are both part of the solution and part of the problem. High value and vulnerable targets, such as oil rigs under tow, may employ armed guards when passing through risky areas, but the vast bulk of shipping in the region has no requirement for these guards. Also by offering both risk assessments and the means of countering the risks, PMSCs can 'beat up' the risks. This has been evident in some recent assessments in the media of the risks of piracy in the region that have been sourced to PMSCs. The number of PMSCs has increased dramatically over recent years to deal with piracy off Somalia and West Africa, but as conditions improve in those regions, these companies are actively searching for business elsewhere.

While piracy and sea robbery remain problems in parts of Southeast Asia, the threat should be kept in perspective. Most ships transiting regional waters are not at risk unless they slow down or anchor in areas where attacks occur. The main requirements to reduce the number of attacks in the region are better security in some regional ports and concerted police action, including through ASEANAPOL - the ASEAN Association of Chiefs of Police.

NAVAL DEVELOPMENT AND POLICY



ASIA PACIFIC | 26 JUNE | CHANNEL NEWSASIA

RIMPAC maritime exercise seeks to ease China tensions

WASHINGTON: The US navy has dispatched 24 of its ships to Hawaii as it prepares for the world's largest international maritime exercise. RIMPAC, or Rim of the Pacific, will involve 49 surface ships and six submarines from 23 countries, but the inclusion of one specific country is getting the most attention. China will be participating in the exercise for the first time, sending a destroyer, a missile frigate and a hospital ship, among others.

[Full Report](#)

RUSSIA-VIETNAM | 2 JUNE | NAVAL-TECHNOLOGY.COM

Work begins on Vietnam's sixth Kilo-class submarine

Russia has laid down the sixth Kilo-class submarine being built for the Vietnam Navy at Admiralty shipyards in St Petersburg. Developed as part of a \$2bn contract to deliver six submarines, the new subs are aimed at strengthening Vietnam's defences.

[Full Report](#)

INDIA | 2 JUNE | IHS JANE'S

Indian Navy asks BJP gov't to fund next phase of indigenous carrier build

The Indian Navy (IN) is seeking INR160 billion (USD2.66 billion) over the next 2-3 years from the newly-elected Bharatiya Janata Party (BJP) government to resume construction of the Project 71 indigenous aircraft carrier (IAC).

[Full Report](#)

PHILIPPINES–SOUTH KOREA | 5 JUNE | PHILIPPINE STAR

Seoul to donate corvette warship to Phl Navy

MANILA, Philippines - Seoul will donate a warship to Manila in a move seen to improve the capabilities of the Armed Forces of the Philippines (AFP), one of the weakest in the region. South Korean Defense Minister Kim Kwang-jin informed Defense Secretary Voltaire Gazmin about the donation during the latter's visit to Seoul on May 30.

[Full Report](#)

AUSTRALIA | 6 JUNE | THE GUARDIAN

Navy vessels to be built offshore, with Australian shipbuilders not able to bid

New navy refuelling ships will be built offshore, with the Abbott government giving first preference to Spain and South Korea. Defence minister David Johnston has announced the tender process for the urgently needed replacements of replenishment vessels HMAS Success and HMAS Sirius – but Australian shipbuilders won't be able to bid.

[Full Report](#)

CHINA–UNITED STATES | 6 JUNE | WALL STREET JOURNAL

Pentagon lays out challenge posed by China's growing military might

WASHINGTON—China's rapidly growing military spending is paving the way for the country to expand its sphere of influence and challenge the U.S. across the globe, the Pentagon said, in a report laying out challenges facing America as it steps up involvement in Asia.

Full Report Available Upon Request

CHINA–VIETNAM | 11 JUNE | BLOOMBERG

Vietnam says China sent six warships to rig in disputed seas

Vietnam said China again shifted an oil rig it has placed in disputed waters, with six warships guarding the structure as the two communist countries continue their South China Sea stand-off. The rig was moved for a third time and remains off Vietnam's coast in an area claimed by both countries, the official Vietnam News reported, citing information from the Vietnam Fisheries Surveillance Department.

[Full Report](#)



CHINA–VIETNAM | 11 JUNE | BBC NEWS

UN 'will mediate in China-Vietnam row'

The United Nations says it is willing to mediate in the territorial row between China and Vietnam. UN spokesman Stephane Dujarric called for both sides to resolve the dispute peacefully and legally. In the past week, Vietnam and China have both sent dossiers outlining their claims in the South China Sea to UN chief Ban Ki-moon.

[Full Report](#)

INDIA | 12 JUNE | THE HINDU

First Scorpene submarine to be ready by Sept 2016: Admiral Dhowan

Chief of the Naval Staff Admiral Robin Dhowan has said that the construction of French-origin Scorpene submarines at Mazagon Dock is progressing well, with the first submarine now scheduled to be delivered by September, 2016.

[Full Report](#)

INDIA | 15 JUNE | THE HINDU

Secure sea lanes can drive India's growth story: Modi

Prime Minister Narendra Modi on Saturday conveyed his government's sharp focus on modernising the country's defence infrastructure and tying maritime security to India's growth story.

[Full Report](#)

NORTH KOREA | 17 JUNE | BBC NEWS

N Korea 'develops Russian cruise missile'

A North Korean propaganda film has revealed footage of a newly developed cruise missile, according to experts. The missile is believed to be similar to the Russian KH-35 missile, which came into service in 2003.

[Full Report](#)

TAIWAN | 17 JUNE | FOCUS TAIWAN

Taiwan sends equipment to build pier on South China Sea island

Taipei, June 17 (CNA) Heavy machinery from Taiwan meant for use in building a pier has landed on Taiping Island, in a show of sovereignty over the largest of the Spratly Islands in the disputed South China Sea, a lawmaker from the ruling Kuomintang (KMT) said Tuesday.

[Full Report](#)

JAPAN–SOUTH KOREA | 20 JUNE | AGENCE FRANCE-PRESSE (NDTV)

South Korea holds island live-fire drill, ignores Japan protest

Seoul: The South Korean navy held a rare live-fire drill near a set of disputed islands on Friday, brushing off angry protests from co-claimant Japan, which called the exercises "deplorable".

[Full Report](#)

AUSTRALIA | 24 JUNE | IHS JANE'S

Australia announces Pacific Patrol Boat Program

Australian foreign minister, Julie Bishop, and defence minister, David Johnston, unveiled on 17 June a AUD2 billion (USD1.88 billion) programme to replace the current fleet of patrol boats for 13 Pacific Island states.

[Full Report](#)

NORTH KOREA | 29 JUNE | REUTERS

North Korea launches two missiles, defies U.N. ban

(Reuters) - North Korea fired two short-range ballistic missiles into seas east off its coast on Sunday, South Korea's military said, defying a U.N. ban on the isolated country testing such weapons.

[Full Report](#)

MARITIME SECURITY AND SAFETY



Wikimedia Commons, US Navy ([link](#))

GLOBAL | 2 JUNE | MARITIME EXECUTIVE

New structure for counter-piracy code implementation

Ministers from participating States in the Code of Conduct concerning the Repression of Piracy and Armed Robbery against Ships in the Western Indian Ocean and the Gulf of Aden (the Djibouti Code of Conduct) have recognized the need to develop a mechanism for the region to run its own counter-piracy agenda, following the successful implementation by IMO of numerous projects aimed at improving regional capacity to counter piracy by developing enhanced regional cooperation and coordination.

[Full Report](#)

THAILAND–INDONESIA | 2 JUNE | CHANNEL NEWSASIA

Pirates free Indonesia-bound Thai tanker after cargo theft

KUALA LUMPUR: Pirates have released an Indonesian-bound Thai tanker after stealing its oil cargo, in the latest attack in Southeast Asian waters, the International Maritime Bureau said Monday.

[Full Report](#)

EUROPEAN UNION–SEYCHELLES | 4 JUNE | MARINELINK

Seychelles conducts oil spill exercise

A major exercise in implementing the national contingency plan for anti-pollution, search and rescue, and fire fighting was held in the waters off Mahé on 4 June. This complex exercise was carried out by a range of different agencies including the Seychelles Coast Guard, Air Force, Fire Fighting Services and Port Authority.

[Full Report](#)

SINGAPORE–NORTH KOREA | 10 JUNE | VOICE OF AMERICA

Singapore alleges shipping company helped N. Korea smuggle arms

Singapore has filed charges against a shipping company it says was helping North Korea try to acquire illegal weapons. Singapore-registered Chinpo Shipping Co. Ltd. was charged Tuesday with transferring \$72,000 to a Panama shipping agent, knowing that the funds could be used to contribute to the "nuclear-related, ballistic missile-related, or other weapons of mass destruction-related programs or activities" of North Korea, the AP reported.

[Full Report](#)

MALAYSIA | 12 JUNE | KHALEEJ TIMES

Hunt for pirates after Malaysia tanker hijacking: Official

Malaysia is hunting for a group of machete-wielding pirates who hijacked a tanker off its eastern coast, stealing a million litres of oil, in the latest in a spate of attacks in its waters, an official said on Thursday.

[Full Report](#)



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SOUTHEAST ASIA | 17 JUNE | ICC-CCS

IMB warns of new threat to small tankers in South East Asia

The ICC Commercial Crime Services' International Maritime Bureau (IMB) is warning small tankers to maintain strict anti-piracy measures in the South China Sea following a spate of tanker hijackings in the region.

[Full Report](#)

SINGAPORE | 17 JUNE | DIGITAL SHIP

Traffic prediction for Malacca Straits

Kongsberg Norcontrol IT today announced that it will lead a three-year project aimed at developing a concept for a new Ship Traffic Management System (STMS) in the Straits of Malacca and Singapore.

[Full Report](#)

MALAYSIA | 20 JUNE | CHANNEL NEWSASIA

Security in Sabah in spotlight again after abductions

KUALA LUMPUR: Security in the state of Sabah in east Malaysia is back in the spotlight after three kidnappings since March. Regional security experts have warned of a militant resurgence in the area if such criminal activities are not stopped.

[Full Report](#)

UNITED STATES | 20 JUNE | WHITE HOUSE OFFICE OF THE PRESS SECRETARY

White House releases U.S. counter piracy and maritime security action plan

Today the White House released the *United States Counter Piracy and Maritime Security Action Plan*. The United States has long been a leader in maritime security, including in countering the threat of piracy.

[Full Report](#)

MALAYSIA–INDONESIA | 22 JUNE | WALL STREET JOURNAL

Indonesia joins Malaysia in search for missing boat passengers

KUALA LUMPUR, Malaysia—Indonesia has joined Malaysia in searching for about 25 Indonesians still missing after two overloaded boats sank this past week, while relatives began claiming the dead.

Full Report Available Upon Request

MALAYSIA–VIETNAM | 23 JUNE | TUOI TRE NEWS

Vietnamese fishermen save 11 Malaysian sailors off Truong Sa

Fishermen aboard three Vietnamese fishing boats rescued 11 Malaysian sailors whose barge broke down off Vietnam's Truong Sa (Spratly) archipelago on Sunday, the Vietnam National Search and Rescue Committee reported the same day.

[Full Report](#)

INDIA–SRI LANKA | 25 JUNE | ECONOMIC TIMES

Coast Guards of India, Sri Lanka focus on procedures for fishermen release

NEW DELHI: India and Sri Lanka today stressed on streamlining procedures for the release and repatriation of fishermen apprehended by the maritime forces of the two countries while fishing in each other's waters.

[Full Report](#)

INDIAN OCEAN | 26 JUNE | THE GUARDIAN

MH370: search moves further south to unmapped area in Indian Ocean

The search for missing flight MH370 has moved further south in the Indian Ocean, with searchers forced to spend three months mapping previously uncharted waters before a proper investigation can take place.

[Full Report](#)

AUSTRALIA | 28 JUNE | AL-JAZEERA

Migrant boat hits trouble on way to Australia

A boat carrying 153 was in trouble off a remote Australian island, according to activists, but the government said there were no significant incidents at sea to report. The boat carrying mostly Tamils, including women and children, left India two weeks ago and was 175 nautical miles west of Australia's Indian Ocean territory of Christmas Island, the Refugee Action Coalition said.

[Full Report](#)

PHILIPPINES–INDONESIA | 29 JUNE | GULF TODAY

Manila, Jakarta agree to strengthen border patrols

MANILA: The Philippines and Indonesia have agreed to intensify and strengthen their joint border patrols particularly on search and rescue operations after the two countries resolved their 20-year maritime border dispute, according to a military spokesman.

[Full Report](#)

SHIPPING, PORTS AND THE MARITIME ECONOMY



Barry Haynes, Wikimedia Commons ([link](#) and [license](#))

GLOBAL | 24 JUNE | LLOYD'S LIST

Rates set for 'unprecedented volatility' until 2016

Excessive container shipping supply will continue to see volatile and bearish rates for some time to come on key trades, while a new round of vessels orders of over 24,000 TEU could further disrupt the market, according to analysts speaking at the Container Supply Chain Conference held at TOC Europe in London this morning.

[Full Report](#)

CHINA | 3 JUNE | LLOYD'S LIST

Shippers losing confidence in China potential

Business conditions in China are getting tougher and "a new sober reality is developing", according to the European Union Chamber of Commerce in China's Business Confidence Survey for 2014.

[Full Report](#)

VIETNAM | 7 JUNE | VIETNAMNET BRIDGE

Vietnam looks to the sea to boost economic growth

The territorial waters that can be exploited are three times larger than the mainland, offering ideal conditions to develop sea shipping, aquaculture, oil and gas exploitation, and tourism.

[Full Report](#)

SINGAPORE | 4 JUNE | SEATRADE GLOBAL

Singapore welcomes new seafarers' centre

The Mission to Seafarers is (MtS) has opened the new International Drop-in Centre (IDIC) in Jurong Port Singapore on Tuesday.

[Full Report](#)

SOUTH KOREA | 9 JUNE | PEOPLE'S DAILY

Ferry disaster to have transitory effect on S. Korean economy: Moody's

The ferry sinking disaster will have a transitory effect on South Korean economy, which is gaining

momentum in the longer term, the global credit rating company Moody's said Monday.

[Full Report](#)

CHINA–BANGLADESH | 11 JUNE | CCTV

China, Bangladesh pledge joint efforts to build economic corridor

BEIJING, June 10 (Xinhua) -- Chinese President Xi Jinping met with Bangladeshi Prime Minister Sheikh Hasina Wajed here on Tuesday and both pledged to make joint efforts to build an economic corridor linking Bangladesh, China, India and Myanmar.

[Full Report](#)

CHINA–PHILIPPINES | 11 JUNE | BUSINESS MIRROR

Beijing bares plans to expand economic relations with PHL

Chinese Ambassador Zhao Jianhua, addressing Filipino-Chinese businessmen on Tuesday night, outlined Beijing's plans to expand China's business relations with the Philippines and the rest of Southeast Asia, drawing thanks from President Aquino, who spoke after him.

[Full Report](#)

INDONESIA | 12 JUNE | LLOYD'S LIST

Indonesia's box exports will grow, says Maersk Line

MAERSK Line's Indonesia unit has reported 6% on-year growth of exports from the country as of June, an indication that European demand for seaborne containerised goods is growing.

Full Report Available Upon Request

GLOBAL | 13 JUNE | LLOYD'S LIST

Oil market causes fresh headaches for tanker owners

RISING bunker fuel prices due to higher oil prices, combined with chaotic disruptions to the supply of crude cargoes, are generating fresh headaches for tanker owners.

Full Report Available Upon Request

SINGAPORE | 17 JUNE | MARITIME AND PORT AUTHORITY OF SINGAPORE

Port of Singapore won 'Best Seaport in Asia'

The Port of Singapore won the 'Best Seaport in Asia' award at the 28th Asian Freight and Supply Chain Awards (AFSCA) held in Shanghai on 17 June 2014.

[Full Report](#)

CHINA | 17 JUNE | SHIP AND BUNKER

China Blocks P3 Alliance

Chinese authorities have denied approval for the P3 Alliance, leading the world's three largest container-shipping operators to abandon the cooperative relationship, the Wall Street Journal reports.

[Full Report](#)



Wikimedia Commons, National Oceanographic Data Center ([link](#))

CHINA–ARCTIC | 20 JUNE | CHANNEL NEWSASIA

China to publish Arctic shipping route guide

BEIJING: China will soon publish a guide to navigating the Northeast Passage, a recently opened shortcut to Europe through the Arctic, state media reported Friday in a further indication of the country's polar ambitions.

[Full Report](#)

SRI LANKA–CHINA | 23 JUNE | CCTV

Sri Lankan president opens China funded bunkering facilities

HAMBANTOTA, Sri Lanka, June 22 (Xinhua)-- Sri Lankan President Mahinda Rajapaksa on Sunday attended the opening ceremony of bunkering facilities at a 360 million U.S. dollar Chinese funded harbor in southern Sri Lanka.

[Full Report](#)

ASIA | 26 JUNE | SEATRADE GLOBAL

Asia dominates container terminal productivity rankings

APM Terminals Yokohama has topped JOC's productivity table with 163 container moves per vessel hour (MPH), sharing the top spot with Tianjin Xingang Sinor Terminal.

[Full Report](#)

Freight 'increasingly at risk from cyber-crime'

The freight transport sector is increasingly at risk from cyber-criminals targeting carriers, terminals and other operators to access data on high-value cargo and susceptible loads, freight insurance specialist TT Club warned this week's TOC Europe Container Supply Chain Conference in London.

[Full Report](#)