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No. 002/2023 dated 5 January 2023

The Maritime Security Roles of the Shipping Community in Southeast Asia

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SYNOPSIS

*The shipping community is taking an increasingly prominent role in maritime security. Whereas it was once focused on managing risk in order to maximise profits, **TOH KENG HOE** argues, it is increasingly contributing to wider efforts to advance maritime security goals through activities such as voluntary reporting and the implementation of industry-wide standards.*

COMMENTARY

Commercial shipping accounts for about 90% of the ships at sea, and 99% by displacement. It is responsible for more than 80% of the world's trade. Of this value, [41%](#) are loaded in Southeast Asia. The shipping companies that operate these vessels are therefore significant stakeholders in the maritime security space. In considering maritime security, shipping companies are driven by a single metric, the maintenance of the lowest possible cost. They want routes to be safe from congestion, disaster, war and terrorism as such threats endanger potential profit.

The blockage of the Suez Canal by the grounding of the container vessel *Ever Given* in 2021 provides a clear example of a single event that had major impacts throughout the supply chain. Any interruptions in similar chokepoints, including Southeast Asia's critical straits such as Malacca, Singapore, Sunda and Lombok, can have large impacts on the bottom line of the shipping companies, and much bigger ramifications for the entire supply chain. It was estimated that the *Ever Given* disrupted US\$9.6 billion of trade each day, and the Suez Canal Authority demanded compensation of US\$550 million. This incident exemplified the fundamental fears that terrorist or

criminal acts could result in similar disruptions in Southeast Asia, [a viewpoint shared by Singapore's senior leaders](#) and maritime security watchers. Other threats are less direct but can raise insurance premiums and cause disruption. These include piracy, vessels being impounded due to criminal use of containers, stowaways and conflict.

Shipping Community Perceptions of the Most Significant Maritime Security Threats

Shipping companies are contractually obligated to deliver their cargo safely and on time to the right ports. Any disruption to the supply chain is of the most significant concern. Such disruptions could be caused by a range of threats that include piracy, stowaways, the impounding of vessels due to container use during smuggling, and the closing of chokepoints due to conflict or accidents. These rank highly as concerns. Shippers, therefore, value freedom of navigation to the required ports without incurring high insurance costs, whether through premiums or the deployment of guards, to forestall these risks.



Very large container vessel entering the Cocoli locks at the Panama Canal. Maritime security concerns do not have to contradict the economic imperatives of the global shipping industry. *Image from Wikimedia.*

Governance of the Shipping Community's Maritime Security Activities

The most important governance document for the shipping community is probably the 1958 convention that established the Inter-Governmental Maritime Consultative Organisation, an institution renamed as the International Maritime Organisation (IMO) in 1982. The Maritime Safety Committee (MSC) is the IMO's highest technical body.

The more prominent of the IMO's various conventions relate to maritime safety. These include the International Convention for the Safety of Life at Sea, commonly known as SOLAS, and the Global Maritime Distress and Safety System (GMDSS). Much more demanding, and hence more costly, are the maritime security conventions that were developed in the 2000s, specifically in response to the concerns raised in the

immediate post 9-11 era, with the entry into force in July 2004 of a new security regime for international shipping. The International Ship and Port Facility Security (ISPS) Code was made mandatory under amendments to SOLAS adopted in 2002. IMO also adopted amendments to the Convention for the Suppression of Unlawful Acts Against the Safety of Maritime Navigation (SUA), 1988, and its related protocol (the 2005 SUA Protocols).

These conventions and amendments were significant as, among other things, they introduced the right of a state party to board a ship flying the flag of another state party. This right is conditional on the requesting party having reasonable grounds to suspect that the ship or a person on board the ship is, has been, or is about to be, involved in the commission of an offence under the convention.

The Shipping Community's Operations in the Maritime Security Environment

The fear of maritime terrorism post 9-11 led to a slew of initiatives at both the regulatory and industry levels. In addition to the above maritime security conventions adopted by IMO, various groups also took action. These responses were especially tied to threats in geographical regions such as the Gulf of Aden and West Africa, but the practices they implemented have been applied in Southeast Asia as well due to the trans-regionality of international shipping.

For example, in February 2009, a group of industry actors led by BIMCO (an international shipping association representing approximately 60% of the world's merchant shipping by tonnage) published the Best Management Practices (BMP) to deter piracy and enhance maritime security in the Red Sea, Gulf of Aden, Indian Ocean and Arabian Sea. The fifth revision, BMP5, was introduced in June 2018 and advises the industry on measures to mitigate the risk from piracy and other maritime security threats. It not only outlines the dynamic nature of maritime security threats but also covers ship protection measures as well as reporting procedures for ships and their crew, as well as shipping companies. Today, BMP protocols are largely adopted by ships transiting the Strait of Malacca.

Insurance also plays an important role in protecting shipping firms' financial benefits and driving them to adopt best practices. The interaction between the insurance and shipping industry can apply pressure on governments to take action. Particularly important in this regard, the Joint War Committee (JWC), a group of underwriting representatives from Lloyd's and the International Underwriting Association company markets, represents the interests of those who underwrite the marine hull war business in the London market. The JWC designated the Strait of Malacca a war risk zone in 2005, resulting in a surge in insurance premiums. It was also this designation for the Strait of Malacca that [led to the formation](#) of the Malacca Strait Patrols by the littoral states.

The Ship Security Alert Systems (SSAS) provide another tool to help enhance maritime security. The concept is similar to a bank's panic button, a silent alarm to alert an internal security group or a third-party security company. It too alerts a designated authority but without triggering any audio-visual signal on the ship itself or to nearby vessels or directly to security forces. SSAS was determined in SOLAS

Chapter XI-2, Regulation 6, and ships built on or after 1 July 2004 would have the SSAS installed.

Under ISPS, every shipping company is required to appoint a company security officer (CSO) to look after the safety and security of the ships that it operates. The CSO is responsible for the company's ship security plan and for managing the security operations provided for in the plan.

There have also been efforts by private security companies and technology solution providers to provide options to improve ships' responses to maritime security threats. These have generally not been well received in Southeast Asia, compared to some other regions, primarily due to the costs and regulatory concerns.

The Shipping Community and Maritime Awareness

Capacity building has generated attention for the shipping community to share information and participate in the voluntary reporting of incidents. The International Recommended Transit Corridor (IRTC) helped protect shipping from attacks in the Gulf of Aden and demonstrated the benefits of a coordinated approach towards community-based maritime security. However in Southeast Asia, the most dangerous waters are governed by the coastal states, so domestic legislation and national law enforcement solutions are more important.

Other maritime solutions focus on the commercial ships themselves. For example, following the oil spillage involving the vessel *Wakashio* off the coast of Mauritius, Mitsui O.S.K. Lines (MOL) [voluntarily adopted remote monitoring capabilities](#) across its 700 ships to ensure they have sufficient awareness to help prevent similar incidents in the future.

In recent years, there have been new initiatives spurred by the advent of communications and digital technology. Remote monitoring and information sharing allow the shipping community to have stronger awareness not only to boost maritime security but also to boost safety. Notably, shipping companies are [experimenting with artificial intelligence-based navigation augmentation systems](#), which they hope could [provide earlier incident warnings](#).

Evolution of the Shipping Community's Maritime Security Roles

The initiatives undertaken by the shipping community directly improve maritime security. In addition to implementing regulatory activities, the community's willingness to share information through voluntary reporting and its adoption of management best practices deny criminals the opportunity to attack.

The shipping community has taken these measured approaches to protect itself from emerging threats and conform to new compliance measures, all while seeking to minimise costs and maximise profit. Maintaining this balance will require further adaptation.

In the past decade, cyberattacks have emerged as a new threat for the shipping community. Large segments of the community remain largely traditional and slow on

the uptake of digital and communications technology, but even as some turn to technology solutions, ships at sea generally remain easy targets for hackers. Poor understanding of technology and the protocols to keep such technology secure, if not addressed, will develop into a comprehensive maritime security gap.

As shown by the grounding of the *Ever Given* in the Suez Canal, the impact of a disruption to global supply chains ranks higher in the minds of executives leading the shipping community. Developing the perspective that achieving maritime security is not an end but rather a means to strengthening or supporting global supply chain security could help expand the shipping industry's contribution to the Southeast Asian maritime security landscape.

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The final report of the workshop is also available [online](#).