

Trends and security challenges in the Euro-Atlantic and Asia-Indian Region: the role of European Foreign Policy

Summary

Africa is a vast “island” surrounded by three major bodies of water: the Atlantic Ocean, Indian Ocean and Mediterranean Sea. The waterway between these three great seas is guaranteed by natural or artificial “channels”, which are essential to the normal flow of people and goods around the main stage population.

The strategic geopolitical relevance of this natural area results not only for its role in shipping, but also by the richness and diversity of natural resources in the region. Actually, natural resources assume a prominent self-evident, decisively influencing the foreign policies of major international actors.

The next years could be affected for unforeseen events of major geopolitical significance, namely, the competition for petroleum and other strategic resources (thereby highlighting the importance of maritime security); demographic changes that could aggravate such global problems as, poverty, hunger, illegal immigration, and pandemic disease; and the accumulating consequences of environmental degradation, including climate change.

At the start of 2011, civil discontent in North Africa started to gain expression. The Presidents of Tunisia (Jan 14) and Egypt (Feb 14) fell in quick succession. Protesters are still being shot by repressive regimes from North Africa to the Middle East, and there are still fears that the government of Saudi Arabia could be destabilised. The MENA region produces 20% of the world’s crude oil and also contains the crucial Suez Canal transport artery.

According to the International Energy Agency (IEA) definition, energy security comprises adequate, affordable and reliable supplies of energy. However, a more complex combination of factors includes minimizing vulnerability to the disruption of energy supplies, which should be available to every nation at a reasonable price while also taking into consideration environmental implications. The importance of the nature of *energy flows* needs to be understood. A comprehensive representation of factors must include: supply and demand, flows, environmental issues, and policy responses.

The threat of the so called “Arab spring” to global crude oil supply is obvious and crude oil prices soared. When Libya became embroiled in a vicious civil war from mid February prices raise again, but most commentators suggested that even with Brent at USD125Bbl this was not yet high enough to cause significant demand destruction – although the unity of this position has been breaking down.¹

This paper focuses on maritime security – a multifaceted and complex topic that touches on some of the most critical security challenges of the moment, i.e. energy security and oil transport. Armed non-state actors are exploiting busy shipping lanes for piracy and, some fear, for terrorist purposes. In this regard, there is rising concern about the security of sensitive materials in transit by sea.

We will start by summarizing the geopolitical context of the major shipping routes in the Euro-Atlantic and Asia-Indian regions, looking for the main bottlenecks and the consequences for the normal flow and maritime trade transportation.

The second part of the paper will then present a brief analysis of trends and facts on international piracy and the consequences for international maritime trade and security.

The final section reviews the main players and key initiatives underway to maintain the safety and security of its foreign policies for the Region.

Maritime (In) Security: Why is this matter so important?

The United Nations Conference on Trade and Development's Review of Maritime Transport 2010 highlights that more than 80% of international trade in goods is carried by sea, and an even higher percentage of developing-country trade is carried in ships.²

In 2008 world sea-borne trade increased by 3.6% to reach an estimated 8.17 billion tons, global fleet tonnage witnessed year-on-year growth of 1.19 billion deadweight tons (dwt), and world container port throughput grew by an estimated 4% to reach 506 million TEUs³.

This is despite the global economic downturn—global GDP expanded by only 1.8% in 2008.⁴ Estimates based on preliminary data for 2009 indicate that world seaborne trade volumes fell by 4.5 per cent, suggesting, as noted by some observers, that 2008 marked the end of the “super cycle”. In 2009, total goods loaded amounted to 7.8 billion tons, down from 8.2 billion tons recorded in 2008 (UNCTAD 2010).⁵

According to the International Maritime Bureau's Piracy Reporting Centre, there were 445 incidents of piracy and robbery in 2010, with Somalia accounting about 50% of the total.⁶ In addition to the human costs, the economic implications of piracy are escalating. In order to avoid piracy-prone areas, up to 74 per cent can be added to the length of a tanker ship's voyage from Kuwait to Rotterdam, and 44 per cent to the length of a container ship's voyage from Singapore to Rotterdam. These costs constitute an additional burden for ship owners and can be expected to be passed on to shippers and trade.⁷

Despite the number of reported incidents compared with about 50,000 vessels currently employed in sea trade, the nature and increasing dimension of the current piracy deserve appropriate responses from the international community.

For Europe, shipping has been one of the key stepping stones to economic growth and prosperity all along its history. At the start of the 21st century, the maritime transport system ensures 90% of the freight exchanges of Europe with the rest of the world and 40% of the intra-EU freight exchanges. With more than 400 million sea passengers passing each year through European ports, passenger ships and ferry services have a direct impact on the quality of life of citizens in islands and peripheral regions.

In particularly case of EU15, between 1997 and 2005 there was a positive inflow of tonnage to the EU 15 flags following their relative competitiveness. As from 2006 and onwards the attractiveness increased of the Panamanian and Marshall flags. This followed on active measures taken to increase the competitiveness of those flags.

The interest by EU15 owners to register the new buildings in EU15 flags has been maintained, much due to favourable financial conditions offered for new buildings, but the last 5-7 years many of these ships have changed flag fairly shortly after delivery to non-EU15 registries for financial reasons.

Table 1: EU 15 Flag Changes 1997-2009.

Thousand gt	1997-2005			2006-2009		
	New vessel register in EU15 flag by EU15 owners	% of total new register by EU15 owners	Flag change to EU 15 flags	New vessel register in EU15 flag by EU15 owners	% of total new register by EU15 owners	Flag change to EU 15 flags
Tankers	16,976	47%	3,822	11,279	47%	-7,337
Bulkers & General Cargo	7,811	39%	1,483	5,814	40%	-7,065
Container & Ro-Ro	22,982	65%	-1,617	16,683	62%	-16,255
Other	5,958	61%	-371	2,013	62%	-1,109
Total	53,727	53%	3,371	35,789	52%	-31,767

Source: OPTIMAR 2010 http://ec.europa.eu/transport/maritime/studies/maritime_en.htm

The emergence of piracy has been associated with several key threats already recognized by European Union ("EU"). The current European Security Strategy ("ESS") indicates that potential causes which lead to instable regions are directly connected with state failure and organized crime, i.e. the growth in maritime piracy.

The EU identifies crucial challenges associated with this security threat. In the Council's Conclusion of 26 May 2008 is stated that the EU was concerned with *"the upsurge of piracy attacks off the Somali coast, which affect humanitarian efforts and international maritime traffic in the region and contribute to continued violations of the UN arms embargo"*⁸.

Taking the initiative in addressing the piracy problem gives a chance for the EU to become a more relevant actor within the security field: to show that it is able to protect its citizens, its interests and to be an influential contributor in providing international security.⁹

The reassessment of the EU maritime transport policy was announced with the mid-term review of the Transport White Paper (2006). The necessity of this reassessment was confirmed in the context of the EU Maritime Integrated Policy (2007, the "Blue Book").

Energy security is directly related to the maritime transport and therefore with the problem of piracy and maritime terrorism. To ensure a constant and uninterrupted oil supply, the strategies of industrialized nations have been articulated by the use of military force (primarily by the United States), economic incentives and uneasy alliances with oil producers, namely in the Persian Gulf. Access to this strategic location, especially Saudi Arabia, is likely to be the most important factor in contemporary energy geopolitics.¹⁰

The growing dependency among developed nations on external sources of oil reinforces these conventional strategic considerations, when a few key maritime passages chokepoints of the global economy are considered valuable resources with a rather fixed supply. Moreover, increased Asian oil demand, especially within China, has caused a new shift in petroleum circulation and has stepped up competition over existing known oil resources, including the chokepoints themselves. The new geography of petroleum circulation is thus challenging conventional distribution networks, their security and their reliability.

Tankers and pipelines are very vulnerable targets. Tankers are too slow and cumbersome to maneuver away from attackers; usually they don't have any protection and they have nowhere to hide. There are more than 16,000 tankers¹¹ plying the world's oceans. Each of them can be attacked in the high seas or while passing through narrow straits in hazardous areas like the Persian Gulf and Southeast Asia.

Geography forces the tankers carrying much of the world's oil supply to pass through one or more of three narrow straits -- the entrances to the Red Sea (Bab-el-Mandeb) and the Persian Gulf (Strait of Hormuz) and the Straits of Malacca between Indonesia and Malaysia. About a quarter of the world trade passes through the Straits of Malacca, including half of all sea shipments of oil bound for East Asia and two thirds of global liquefied natural gas (LNG) shipments. These straits are all controlled by Muslim countries where terrorists are known to operate. They are so narrow that a single burning supertanker and its spreading oil slick could block the route for other tankers, hence rocking the entire global oil market for several weeks at the very least.

We have to remind that more than 80% of world trade is conducted by sea. More than 46,000 large vessels and some 4000 major ports make up the global maritime transport system, and a successful maritime attack could have a potentially huge effect on the international economy. In identifying the world's hotspots, we can use data on the locations of piracy and maritime terror incidents, threat warnings by international maritime organisations, and strategic analysis of the world's most vulnerable sea areas and routes.

The new threats to the security of oil supplies are directly affecting oil prices. Maritime insurers, for example, have already begun to sharply raise the premiums charged to cover tankers in risky waters.

In fact piracy has a direct economic impact in terms of fraud, stolen cargos and delayed trips. On top of these, it is considered to be an economically driven occurrence. Although piracy seems mostly like a remote action happening wherever far, actually, it affects all of us. Furthermore piracy could also trigger a major environmental catastrophe – especially if an attacked vessel is left to drift in a congested sea lane of communication.

The “nightmare” scenario is a mid-sea collision involving a heavily-laden oil tanker. Not only would the resulting discharge of petroleum cause irreparable damage to off-shore resources and marine life, but it would also seriously degrade long stretches of fertile coastal lowlands if the oil were left to drift. This would pose significant difficulties to any state that relies on the oceans as a primary source of food, either for domestic consumption or regional/international export.¹²

Estimating the Costs of Maritime Piracy

A careful assessment of the global economy flows reveals that the sea-based trading system is vulnerable to piracy, terrorism, illegal drug trafficking, gun-running, human smuggling, maritime theft, fraud, illegal fishing and pollution, which can all disrupt maritime supply chains with a heavy cost for the global economy.

Securing maritime supply chains against disruption thus presents an enormous challenge for the globalized world. States have invested significant political, diplomatic and military resources to ensure the smooth flow of commerce and chosen sophisticated security strategies and systems so as not to slow down international trade and impede economic growth. In essence, operational strategies are primed to ensure that trade flows unhindered and sea lines of communication are protected.

Several efforts have been made to assess the global cost of maritime piracy. Some of them, the RAND Institute’s Peter Chalk, as well as the International Maritime Bureau (IMB), have estimated that piracy costs between 1 and 16 billion dollars per year.¹³

At the end of 2010, around 500 seafarers from more than 18 countries are being held hostage by pirates. Piracy clearly affects the world’s largest trade transport industry, but how much is it costing the world?

Research conducted by the Oceans Beyond Piracy project, part of One Earth Future, an NGO, has attempted to measure the full economic cost of piracy. A total of US\$238 million was paid in ransoms during 2010, with the cost of ransoms increasing from an average payment of US\$150,000 in 2005 to US\$5.4 million in 2010.

Oceans Beyond Piracy has completed a study on the economic cost of maritime piracy. The project set out to analyze the cost of piracy on three regions: (1) the Horn of Africa; (2) Nigeria and the Gulf of Guinea; (3) the Malacca Straits. The focus has inevitably been on the costs of Somali piracy because this is the region where contemporary piracy is most highly concentrated and is the greatest source of current data and information.

The project primarily analyzes direct costs, but also considers some secondary (indirect) costs. We hope the model, report, and calculations produced by this study will be a useful tool for analysts and policy makers working towards solutions to piracy.

The cost of piracy in recent years has significantly increased. One of the biggest increases in the costs has been the increasing price of ransoms paid to release hijacked ships. Ransoms are generally sought by Somali pirates. Pirates in other regions have more often stolen the vessel or cargo, rather than ransoming the value of the seafarers’ lives and their ship.

In November 2010, the highest ransom on record, 9.5 million dollars, was paid to Somali pirates to release the *Samho Dream*, a South Korean oil tanker.¹⁴ Indeed, 2010 set a remarkable record for the cost of ransoms, with the year kicking off to a 7 million dollars ransom paid in January to release the Greek supertanker *MV Maran Centaurus*, which had been carrying 162 million dollars of crude oil from Saudi Arabia to the United States.¹⁵

Problematically, as the rescue costs increase also increases the period of negotiations, and therefore the duration seafarers are under arrest. The average length of negotiations has more

than doubled over the past year as pirates seek, and receive, larger ransom payments. Ships were held for an average of 106 days between April and June of 2010, up from just 55 days in 2009, and the last four ships released in November 2010 were held for an average of 150 days.¹⁶ Seafarers now face the likelihood of three to four months of captivity.

Accord *Oceans Beyond Piracy* project (OEF) 2010, the total cost of ransom is estimate to be around double the value actually paid to pirates. The total cost is duplicated by a number of factors, such as: the cost of negotiations, psychological trauma counseling, repair to ship damage caused while it is held captive, and the physical delivery of the ransom money.¹⁷

Table 2: Cost of Somali Piracy Ransoms 2009 and 2010

	Average Ransom (Million US Dollars)	Total Number of Successful Hijackings	Cost of Ransoms (Million US Dollars)
2009	3,4	52	177
2010	5,4	44	238
Cost of Ransoms 2009 and 2010			415

Source: *Oceans Beyond Piracy* project (OEF) 2010.

Given that the risks off the East African coast have caused many shippers to redirect their routes around the Cape of Good Hope,¹⁸ these re-routing costs are thought to have added between US\$2.4 and US\$3 billion on yearly shipping costs. Surrounding countries also suffer a macroeconomic impact from the loss of trade and tourism. Egypt, Kenya, Nigeria, Seychelles and Yemen have lost an estimated US\$1.25 billion.

Furthermore, shippers purchase four main types of insurance as indemnity against piracy: war risk, kidnap and ransom (K&R), cargo, and hull. The most significant increase in premiums has been in 'war risk' and K&R. The Gulf of Aden was classified as a 'war risk area' by Lloyds Market Association (LMA) Joint War Committee in May 2008, and is therefore subject to these specific insurance premiums.¹⁹

Ironically, as the economic costs of piracy increase, more money is expended on combating pirates in the Gulf of Aden. However, the international community's military and legal approach is only palliative in nature. The problem stems from the power vacuum in Somalia. Until this issue is addressed, key global logistics channels will continue to be at risk.

Meanwhile, for the pirates at sea, it's a question of supply and demand. As the prices of ransoms inflate, more pirates are attracted to the "market". The payment of these costs is rarely revealed, with transporters and shippers preferring to quickly pay the extortion fee without attracting negative publicity. However, the rising costs will filter through the supply chain and will be reflected in the final cost of transport.

Buyers may feel overawed by the international nature of this problem. But procurement departments need to factor this risk into the pricing of goods through piracy hot-spots - this includes the Gulf of Guinea and the Malacca Straits, as well as the Horn of Africa. Unfortunately, global companies will continue to pay higher prices until there is a global solution to this problem.

Understanding the economic impacts of maritime piracy is extremely important due to several reasons. First, the economic costs (and potential benefits) of anti-piracy measures are important considerations shaping related government policies and international cooperation. To a great extent, they also determine the sustainability and effectiveness of political or military anti-piracy mechanisms. Second, for maritime stakeholders, e.g., shippers, liners, ship owners, insurers, port authorities, etc., the quantification of piracy-triggered costs is very important for them to formulate appropriate strategies and operation practices. It is estimated that an extra USD 7.5 billion would be triggered per year if one-third of the Far East-Europe cargoes were geographically re-routed via the Cape of Good Hope (UNCTAD, 2009) involving an extra one to two weeks to finish the service moving with the same knots.

Main Maritime Routes and Chokepoints: From Southwest Atlantic to Southeast Indian

Geography of the main routes is where commercial activity and strategic interests overlap. Geography both facilitates and constrains maritime commerce. An assessment of the Persian/Arab Gulf or the Gulf of Aden/Horn of Africa illustrates this exactly. The patterns of trade routes are determined in large part by the locations of the points of trade, but they in turn are facilitated, threatened or simply constrained by the nature of the coasts, channels or waters they must cross peopled, exploited, policed, patrolled, or otherwise used by nations and groups with varying interests. Geography, the description and analysis of distribution in space, is clearly as essential as economics to an understanding of maritime commerce itself and of its relationship to the strategic postures of key players.

The geography of energetic resources and raw materials and the geography of the maritime trade are intrinsically connected. The geographic gap between the main sources of raw materials and the main consumer markets gives particular importance to maritime transport. The Mediterranean Sea takes a central place at the crossroads of the main maritime trade routes. The Mediterranean is a “transit space” at the intersection of several geopolitical and geo-economical regions. Mediterranean countries and a growing number of external actors in Europe, Middle East and Africa, as in Asia, heavily use this “inland sea” as a means of transport and communication and as an instrument of power projection.

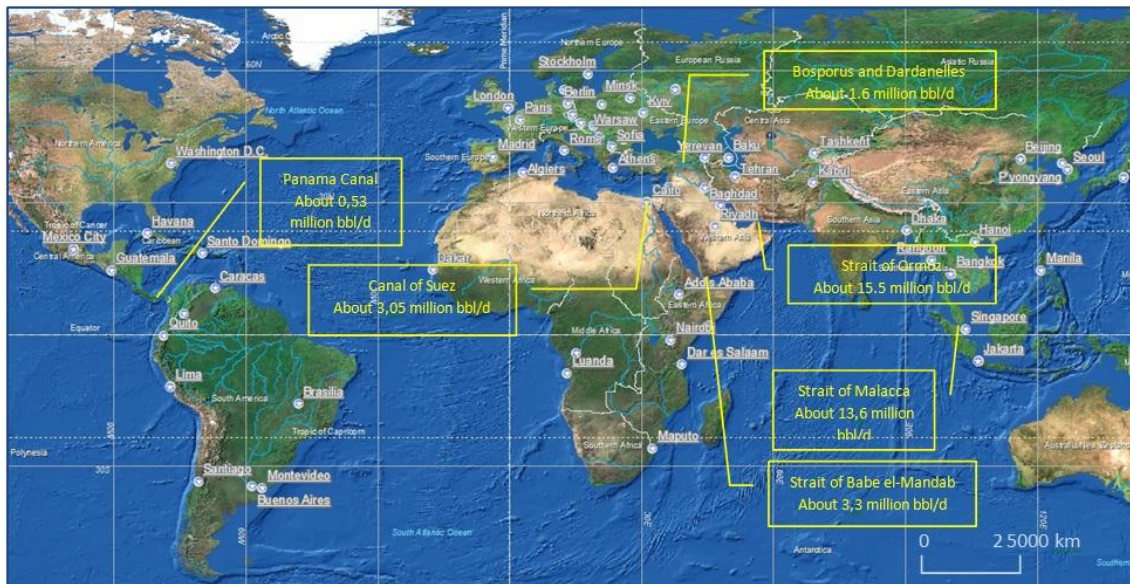
Considering the characteristics of maritime transportation, chokepoints are particularly prevalent, namely at Middle East and Asia-Indian waters. Many of them are the result of the constraints of physical geography while others, i.e. Suez and Panama, are artificial creations.

Usually we define a choke point as a narrow passage, such as a natural or artificial strait, through which shipping must pass. The value of a chokepoint is proportional to its degree of usage and the availability of alternatives. The fact that a chokepoint acts as a limit to circulation imposes a threshold to its use. The closer the traffic is to this threshold, the more the resource is deemed to be exhausted. These maritime bottlenecks are in the Middle East, Asia, Europe, Africa and the Americas.

Therefore the term “chokepoints” is a common concept in transport geography, as they refer to locations that limit the capacity of circulation and cannot be easily bypassed, if at all. This implies that any alternative to a chokepoint involves a level of long way around or use of an alternative that translates into significant financial costs and delays. They can also be perceived as a resource whose usefulness varies with the flow and flow away of the geography of maritime circulation.²⁰

Many of the straits do not carry enough commercial and naval shipping to be considered of global strategic importance. Indeed there are at least eight busy straits and canals that are geographic “chokepoints.” These maritime bottlenecks are in the Middle East, Asia, Europe, Africa and the Americas (Figure 1).

Figure 1 – World Chokepoints and Barrels of Oil Transported Through (millions bbl/d)



Base Map Source: ESRI

A common characteristic of all these waterways is that they are less than 40 miles wide at their narrowest point. The shipping lanes of some of the straits, including the Malacca and Singapore straits, constrict in one or more sections to less than a couple of miles. Of course, the man-made canals are much narrower in places. All these channels are critically important for world trade and naval movement. Yet they are narrow enough to be closed for some time to shipping, by an accident or an attack.

The Hormuz bottleneck – were it closed, or tanker traffic through it disrupted, in an armed conflict – could not be bypassed by sea. It is the only waterway into and out of the Gulf. The Malacca and Singapore straits could be bypassed using other waterways in Indonesia and there is an alternative sea route to the Taiwan Strait, although both would often involve a long diversion and delays for ships.

Indeed, the Strait of Hormuz in the Gulf and the Bab el-Mandab are two pivotal waterways for the transport of energy. A substantial part of global oil exports, approximately 3.3 million barrels of oil per day (MMbd), pass through the Gulf of Aden. At its narrowest point, the Bab el-Mandab strait, the Gulf of Aden is only 28 km wide.

Similarly, the Strait of Hormuz, which facilitates 40% of the global seaborne oil trade and all of the Gulf's liquefied natural gas (LNG) exports, is only 50 km wide at its narrowest point. While some of this oil could be diverted into overland export pipelines, any interruption to the supply from the Gulf by sea would panic markets, making prices soar. It would jolt the world economy.

Defining Current Piracy and Legal Framework to Address the Problem

The re-emergence of maritime piracy is increasingly animating the minds of security analysts, politicians, and law enforcement and intelligence officials. Although problems have been manifest since the late 1990s—especially in the waters of Southeast Asia—attention has become particularly marked over the last two years in reaction to attacks perpetrated by gangs operating in and around the wider Somali basin.

Incidents in this region have reached unprecedented proportions and are now influencing the perceived viability of key sea lanes of communication that are of critical importance to the global maritime commercial system.²¹

According to the 1982 United Nations Convention on the Law of the Sea (UNCLOS), piracy consists of any illegal acts of violence or detention committed against a ship or aircraft “on the high seas or in any other place outside the jurisdiction of any state.”²²

For the purposes of this article, piracy is defined as “an act of boarding or attempting to board any ship with the apparent intent to commit theft or any other crime and with the apparent intent or capability to use force in furtherance of the act.” This conceptualization is used by the International Maritime Bureau (IMB) and is wider than the one adopted under the 1982 United Nations Convention on the Law of the Sea, which restricts its focus exclusively to attacks that take place on the high seas. This delineation is problematic as the majority of pirate incidents occur either in territorial or coastal waters. The IMB definition also abolishes the traditional “two-ship” requirement for classifying an act, meaning that attacks from a raft or the dockside would be counted as piratical.²³

Because piracy has universal jurisdiction according to international law, any state can prosecute any person who fits this definition according to its own anti-piracy laws. However, since article 3 of UNCLOS awards states sovereignty over ‘territorial seas,’ which extend twelve nautical miles off a state’s coasts, the Malacca Strait falls within the jurisdiction of the coastal states of Indonesia, Malaysia, and Singapore.²⁴

According to UNCLOS, piratical attacks within these waters constitute armed robbery, and thus it remains on the responsibility of littoral states to police the area.

The 1988 Convention for the Suppression of Unlawful Acts against the Safety of Maritime Navigation (SUA Convention) put forth a definition of piracy that stripped it of territorial limitations, though the SUA Convention did not extend universal jurisdiction to such attacks. It gives signatory governments the power to prosecute people caught in their own territorial waters of acts of piracy committed in another country’s jurisdiction, but there is still no right-of-entry into the territorial waters of other nations. More significantly, while the UNCLOS is customary international law applying to all nations, the SUA Convention is only applicable to signatory states.²⁵

As international law stipulates, because the Strait of Malacca falls within the territorial boundaries of the regional coastal states, the task of guarding and policing the Strait belongs to Singapore, Malaysia, and Indonesia. Foreign nations enjoy the privilege of ‘transit passage’ through the Strait, but they must refrain from any threat or use of force against the sovereignty of the coastal states or the integrity of their territory.²⁶ In other words, without the express permission of the coastal states, foreign powers cannot use their own forces to combat the maritime threats within the region.

In fact, an adequate fight against maritime piracy and terrorism is not so easy: problems of maritime competence, territorial waters, differing resources (human, military, economic and so on) and other issues, create a complex arena in which it is difficult for law enforcement agencies to locate and follow freely pirates and terrorists.

Meanwhile pirates and terrorists exploit maritime limits and borders in order to escape and hide, leaving behind coast guards and military ships. There are many objective difficulties, and current international law is not sufficient to handle the situation; in particular owing to the scarce application of approved agreements and conventions (as the United Nations Convention on the Law of the Sea, Montego Bay, 10 December 1982), and to the necessity of ad hoc agreements for specific areas and countries.

Scope, Geography and Dimensions of Global Piracy

Historical data on maritime piracy, like piracy attack incidents in terms of locations and types of ships, is obtained from annual and intercalary reports published by the ICC-International Maritime Bureau (ICC-IMB)²⁷ - an international organization focusing on fighting against maritime crimes and malpractices, as well as developing coordinated actions combating maritime frauds, and from annual and intercalary reports published by the International Maritime Organization (IMO)²⁸.

Both the IMO and ICC-IMB provide regular statistical data and reports on acts of piracy and armed robbery against ships. Their data differ slightly due to their different collection methodologies and interpretations. IMO data is provided by member governments and international organizations, while IMB reports are based on data provided to the Piracy Reporting Centre in Kuala Lumpur.

Official piracy data should be approached with some caution, due to interpretative discrepancies, and also since many acts of piracy goes unreported. Shipping companies fear raising their insurance premiums and prompting high-profile, time-consuming investigations. Therefore, the precise extent of piracy is unknown.

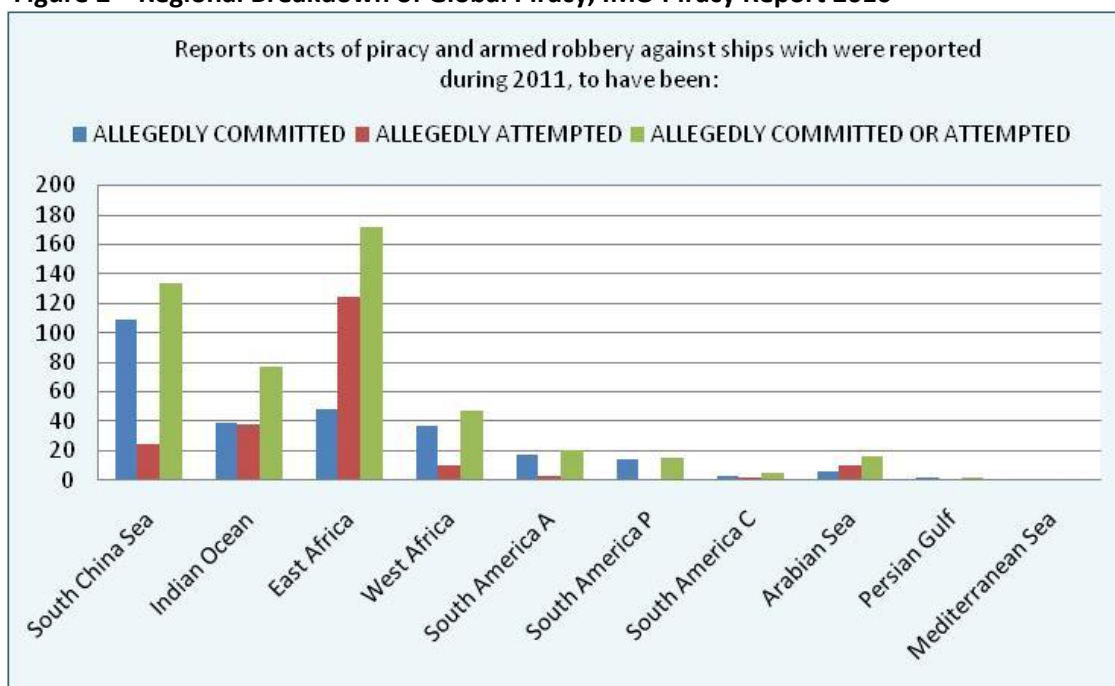
Pirate attacks in the waters off Somalia and the Horn of Africa have brought renewed international attention to the long-standing problem of maritime piracy.

According to the International Maritime Organization's reports, throughout the last decade, there had been phenomenal increase in piracy attack around the globe. The total number of acts of piracy and armed robbery against ships so far reported to the Organization is 5,884, an increase of 68 since 28 February 2011 (IMO, MSC.4/Circ.170. 11 April 2011).²⁹

The number of acts of piracy and armed robbery against ships, which were reported to the IMO to have occurred or to have been attempted in 2010, was 489, an increase of 83 (20.4%) over the figure for 2009.

The areas most affected in 2010 were East Africa and the Far East, in particular the South China Sea, followed by the Indian Ocean, West Africa, South America and the Caribbean.³⁰

Figure 2 – Regional Breakdown of Global Piracy, IMO Piracy Report 2010



Data Source: IMO Annual Report 2010

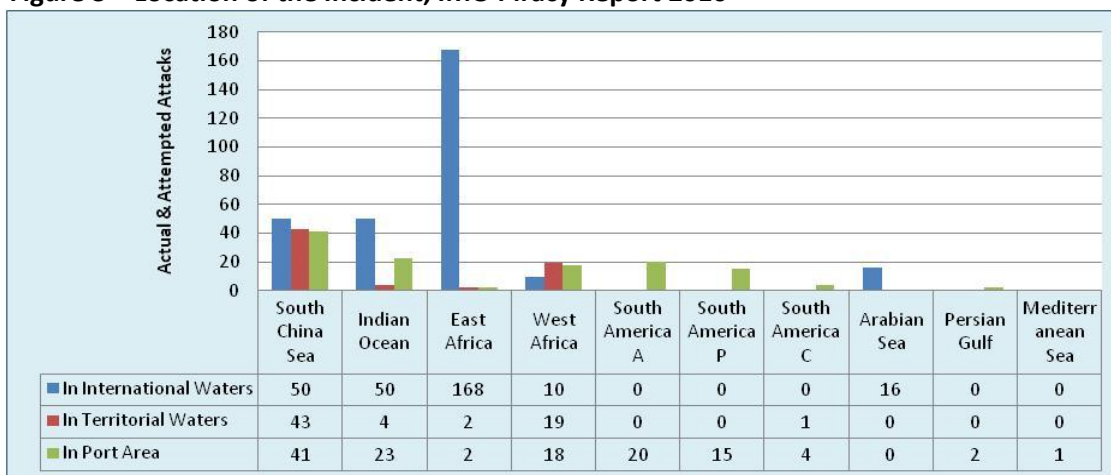
The majority of incidents occurred off East Africa but as a result of the migration of the threat from Somalia-based pirates, the number of incidents in that area decreased from 222 to 172 while the number of attacks in the Indian Ocean increased from 27 in 2009 to 77 in 2010 and in the Arabian Sea 16 incidents were reported, compared with 2 incidents over the same period in 2009.

A significant increase in incidents also occurred in the South China Sea where 134 reports were made to the Organization compared with the 77 incidents reported for 2009 out of which three occurred in the Malacca Strait. The number of reported acts of piracy and armed robbery increased from 36 to 40 in South America and the Caribbean whereas the number of incidents

reported for West Africa remained almost the same with 47 incidents reported in 2010 compared with 46 reported in 2009.

Two incidents were reported in the Persian Gulf and one in the Mediterranean Sea. Most of the attacks worldwide were reported to have occurred or to have been attempted in international waters, which is largely due to the steep increase in incidents off the coast of Somalia and Indian Ocean. However, for other regions the majority of incidents occurred in the territorial waters of the coastal States concerned while the ships were at anchor or berthed. In many of the reports received, the crews were violently attacked by groups of five to 10 people carrying knives or guns.

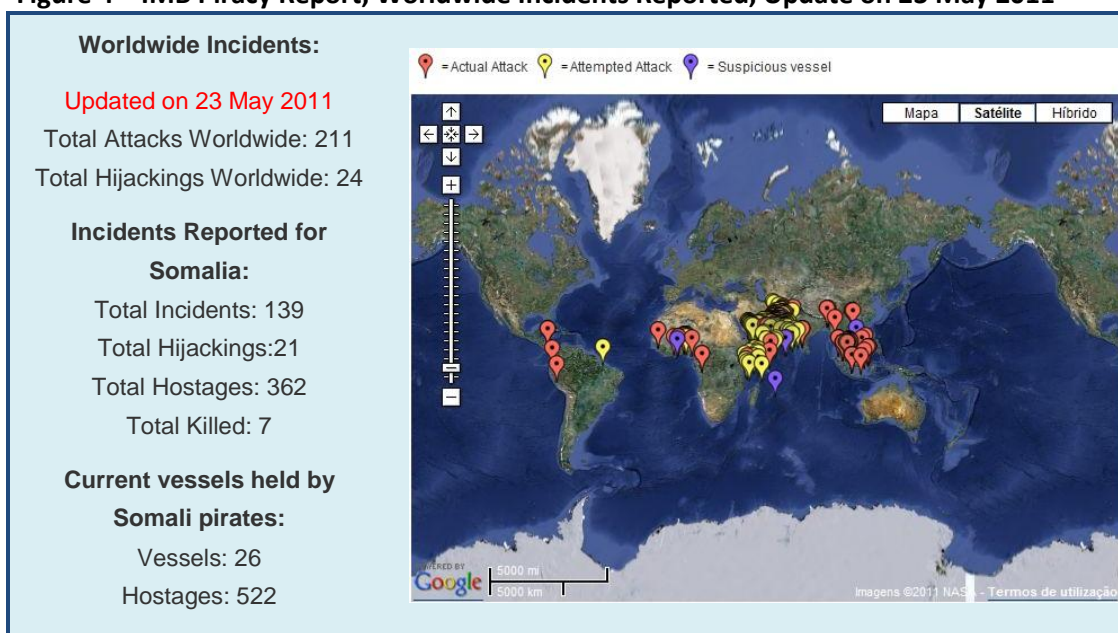
Figure 3 – Location of the Incident, IMO Piracy Report 2010



Data Source: IMO Annual Report 2010

According to the International Maritime Bureau's report for the period between 1 January and 31 March 2011, the global piracy at sea hit an all-time high in the first three months of 2011, with 142 attacks worldwide. The sharp rise was driven by a surge in piracy off the coast of Somalia, where 97 attacks were recorded in the first quarter of 2011, up from 35 in the same period last year.³¹

Figure 4 – IMB Piracy Report, Worldwide Incidents Reported, Update on 23 May 2011



Data Source: IMB Live Piracy Map 2011(<http://www.icc-ccs.org/piracy-reporting-centre/imb-live-piracy-map>).

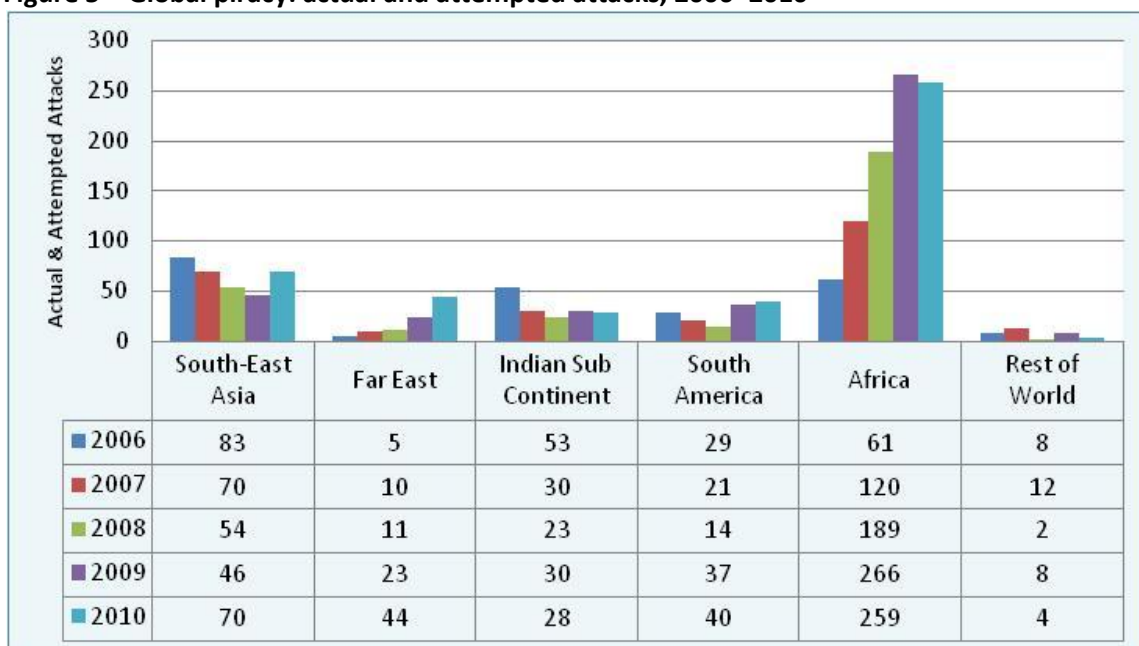
A total of 1,650 actual or attempted acts of piracy were registered around the world between 2006 and the end of 2010, which equates to an average annual rate of around 330. The true figure is undoubtedly greater because in many cases (possibly as many as 50 percent) ship owners are reluctant to report attacks against their vessels out of concern that this will merely lead to increases in maritime insurance premiums and result in lengthy and costly post-incident investigations.

The concentration of piracy is greatest around the Horn of Africa and the Gulf of Aden, which accounted for roughly 52 percent of all attacks reported in 2009 (212 out of 410) and about 49 percent of all attacks reported in 2010 (217 out of 445).

Other high-risk zones include Indonesia (40), South China Sea (31), Bangladesh (23), Nigeria/Gulf of Guinea (19), Malaysia (18) and Vietnam, which collectively accounted for roughly 63 percent of all non-Horn of Africa/Gulf of Aden incidents reported in 2010 (143 out of 226).

Figure 5 shows the number of acts of piracy and armed robbery against ships (actual and attempted) worldwide between 2006 and 2010. By far the greatest concentration of these incidents was off the Horn of Africa and in the Red Sea, with attacks attributed to Somali pirates (342 incidents). The global increase in the number of attacks in 2009 and 2010 was entirely due to this situation. Between January 2006 and December 2010, the ICC-IMB reports 1,650 actual and attempted piracy and armed robbery against ships (ICC-IMB Annual Report 2010).

Figure 5 – Global piracy: actual and attempted attacks, 2006–2010



Source: International Chamber of Commerce, International Maritime Bureau, 2011, Piracy and Armed Robbery against Ships: Annual Report 2010

Figure 6 shows the picture of the Somali piracy between 2006 and 2010. Piracy off the Horn of Africa has been growing in frequency and severity over the past several years and threatens one of the world's busiest shipping lanes near key energy corridors and the route through the Suez Canal.

According to the IMB, at least 219 attacks occurred in the region in 2010, with 49 successful hijackings. Somali pirates have attacked ships in the Gulf of Aden, along Somalia's eastern coastline, and outward into the Indian Ocean.

Figure 6 – Global actual and attempted attacks attributed to Somali piracy, number and percentage of the total of the World, 2006–2010



Source: International Chamber of Commerce, International Maritime Bureau, 2011, *Piracy and Armed Robbery against Ships: Annual Report 2010*

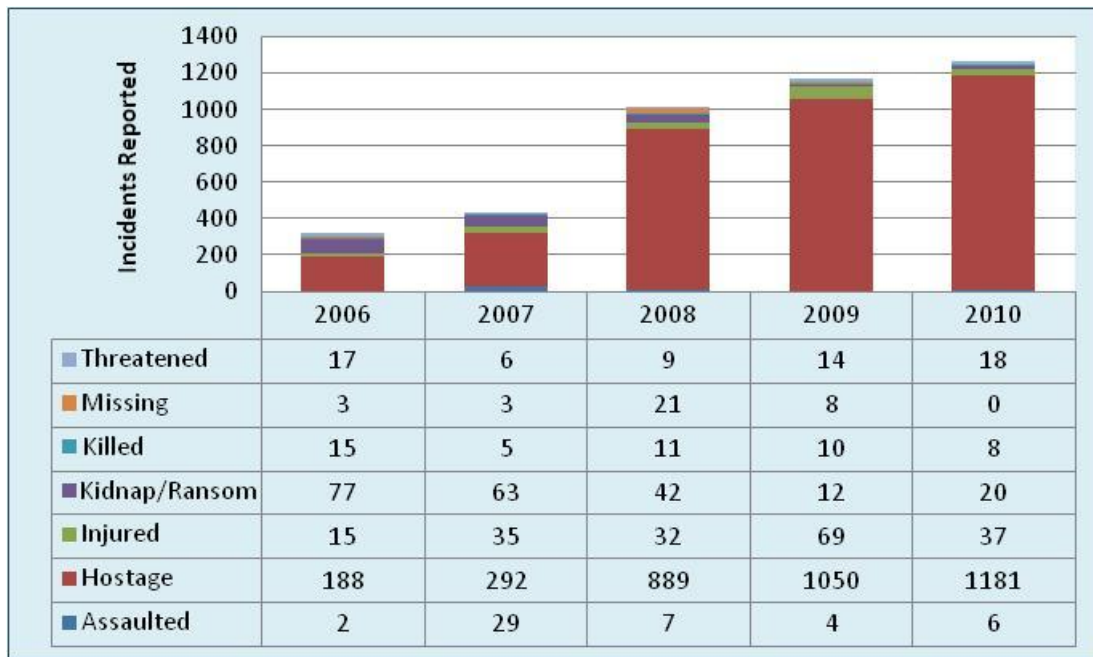
Note: All of attacks reported at Gulf of Aden, Red Sea, Arabian Sea, Indian Ocean, and Oman are attributed to Somali pirates.

Despite the efforts of international community, in 2009 the Somali piracy activity has been an "unprecedented increase" and the pirates appear to have "extended their reach, threatening not only the Gulf of Aden and east coast of Somalia, but also the southern region of the Red Sea, the Bab el-Mandab Straits and the East Coast of Oman".

Using increasingly sophisticated tactics, these pirates now operate as far east as the Maldives in good weather, and as far south as the Mozambique Channel. Hostage taking for ransom has been a hallmark of Somali piracy, and the IMB reports that more hostages, over 1,180, were taken at sea in 2010 than any year since records began; over 86% of those were taken by Somali pirates.

The scale and sophistication of piracy has jumped markedly in recent years, especially in the waters off East Africa. Gangs now routinely hijack large ocean-going vessels and have exhibited a proven capacity to operate as far as 500 nautical miles from shore.³²

Figure 7 – Types of Violence to Crew, January – December 2006 - 2010



Source: International Chamber of Commerce, International Maritime Bureau, 2011, Piracy and Armed Robbery against Ships: Annual Report 2010

Several analysts argue that conditions resulting in dysfunctional states will provide fertile grounds for the fomenting of extremism and terrorism as well as the development of order issues like piracy and insurgencies. Somalia piracy is one of the few cases in Africa where security problems on land have spilled over and affected maritime security severely. Due to the geographic location of Somalia and the valuable cargoes traversing the seas around the Horn of Africa, the lack of maritime security has become an international concern.³³

Security Cooperation in Mediterranean: EU and NATO

Security is a common concern for political and commercial actors in the Mediterranean region. Threats to the security of the Mediterranean are multiple and diverse. The declining threat of conventional inter-state conflict is accompanied by rising threats such as international terrorism, risks connected to the proliferation of weapons of mass destruction, illegal migration, drug trafficking and other illicit trade, piracy, and environmental risks. Some of these threats are clearly linked to Mediterranean's role as a transit space. When discussing Mediterranean security, the consensus is that it is impossible to address challenges with reference to the Mediterranean alone.

The complexity of current security threats in the Mediterranean basin requires the involvement of all relevant actors to elaborate effective solutions, because states alone are not able to face global threats.

While the Straits of Malacca is a relatively success story, piracy in the Gulf of Aden remains worrisome. In the wake of a surge in attacks, the United Nations Security Council adopted four resolutions in 2008 calling upon states to provide assistance to Somalia to counter piracy in the Gulf of Aden and deploy naval forces.

The Mediterranean Sea lies at the heart of a security nexus whose geopolitical importance has increased since the end of the Cold War. This part of the paper analyzes maritime security and naval cooperation in the Mediterranean, examining the relevance and capabilities of the booth organizations to address the problem.

NATO and the UE are concerned about maritime security in the Mediterranean, and both organizations have explicitly stated the importance of this area in terms of security.³⁴ Both actors have developed cooperative tools, such as the *NATO Mediterranean Dialogue* and the *EU Barcelona Process* and the subsequent *Union for the Mediterranean*, mainly in the fields of

energy security, counter-immigration, counter-terrorism, and counter-trafficking. In the maritime field, for instance, the 5+5 Dialogue (bringing together Algeria, France, Italy, Libya, Malta, Mauritania, Morocco, Portugal, Spain and Tunisia) implemented to discuss the management of migratory flows in the Mediterranean may be seen as an example of successful informal North-South political dialogue.³⁵

In order to fix the content of the EU's maritime security policy, it is necessary to define the maritime security concept. *Strictu sensu* maritime security implies the protection of the individuals and economic affairs from illicit acts against ships, human beings, and goods at sea and in ports.³⁶

In the context of the present paper, the challenging issues that the Mediterranean area is currently facing are, mainly, maritime transport and security at ports.³⁷ The structural factors taken into account in this paper which contribute to threaten life in the Mediterranean basin are: organized crime, terrorist attacks, illegal migration, proliferation of Weapons of Mass Destruction (WMDs), and pirates' attacks.

These threats – which all stand high in the EU's security agenda – affect seriously Mediterranean maritime security. And the EU currently regards all these treats as priority issues in Euro-Mediterranean relations.

To define the current security threats, the 2003³⁸ European Security Strategy (ESS) had mentioned “new threats which are more diverse, less visible and less predictable”. By providing substance to the security political concept defined in the ESS, the Report on The Implementation of the European Security Strategy: Providing Security in a Changing World, adopted in December 2008³⁹, identified a range of threats and challenges to EU security interests, particularly terrorism and organized crime, energy security, climate change and piracy. The ESS highlighted piracy as a new dimension of organized crime. It is also a result of state failure.

The world economy relies on sea routes for 90% of trade. Piracy in the Indian Ocean and the Gulf of Aden has made this issue more pressing in recent months, and affected delivery of humanitarian aid to Somalia. The EU has responded, including with ATALANTA, the first EU maritime ESDP mission, to deter piracy off the Somali coast, alongside countries affected and other international actors, including NATO.

With recent increasing frequency and intensity of pirate attacks in Gulf of Aden, piracy has violently entered the EU's maritime security agenda. Although piracy is not affecting the Mediterranean Sea directly, it concerns maritime security and urges action of the EU and of the Mediterranean partners. EU's documents on the Integrated Maritime Policy list piracy among the most crucial security threats and urge “to continue pursuing the actions to ensure freedom, safety, and security of maritime activities and to sustain the international efforts to combat piracy and armed robbery, namely in the framework of ATALANTA, and to address the root causes of piracy”.⁴⁰

Multilateral intervention is currently being experienced in the Gulf of Aden with success. Among the specific initiatives launched by the EU to respond to piracy, the ATALANTA mission deserves to be mentioned.⁴¹ It was set up in late 2008 and it is the first naval operation conducted under the ESDP to deter piracy off the Somali coast. The NATO operation *Ocean Shield* has also been set up to combat piracy with joint actions. Although the international community is setting up multilateral initiatives to combat piracy, the responsibility of the member states is essential to implement the measures aimed at strengthening maritime security and to ensure that all necessary means are allocated to that end.⁴²

Concluding Remarks

Maritime piracy and maritime terrorism are two acute threats to people and maritime trade. Political instability and poor governance provide ideal conditions for non-state actors to engage in illegal activity with relative impunity, such as the Somali piracy. Littoral security is a

vital dimension of national security and raises several issues and challenges for states that tend to focus their attention on land.

While the international community develops international coalitions, partnerships or concerts and strategies to fight piracy and terrorism, it is critical to invest political, diplomatic and economic resources to build the capacity of states that are experiencing chaotic littorals and require proactive governance tools.

Maritime piracy can pose substantial risks to seaborne trades, with considerable commodities, ranging between raw materials and energy to high-value manufactured products, being shipped between global economic powerhouses. This had recently prompted some container liners to diver their shipping routes from via the Gulf of Aden and Suez Canal to the Cape of Good Hope, causing considerable increase in monetary costs and time. However, the economic impacts of maritime piracy have not been thoroughly investigated within the current literature.

In this paper, we recognize that maritime piracy is a dynamic activity not restricted within a particular area or region, nor (long term) fixed by a given quantity of traffic demand, but mutually dependent on global economic development, corporate strategies and/or government policies.

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