



STANDARD BULLETIN

SETTING THE STANDARD FOR SERVICE AND SECURITY

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PIRACY SPECIAL EDITION

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^ Fishing vessel Feng Guo No 168 attacked and reportedly captured off Tromelin Island, October 2010

In this special edition of the *Standard Bulletin*, we examine current issues associated with piracy. Whilst piracy is an age-old scourge, the marked increase in pirate activity, particularly in the Gulf of Aden and Indian Ocean, threatens not only shipowners, but also seafarers and world trade.

Shipowners are increasingly relying on armed guards to protect their interests and we examine the International Maritime Organisation's recent guidelines on their use. From a legal perspective, we summarise the advice we provide to members to ensure armed guard contracts do not prejudice insurance cover. From a practical perspective, we examine the steps members can take to avoid a pirate attack that should form the foundation of any anti-piracy strategy. We also look at some charterparty issues and recent case law.

THE CURRENT POSITION

According to the International Maritime Bureau Piracy Reporting Centre, this year alone there have been 304 attacks and 31 hijackings worldwide to date. Off Somalia, 362 hostages have been taken and seven killed. Overall, 19 ships and 377 hostages are currently being held by Somali pirates. The average cost of ransoms has increased significantly from around \$600,000 in 2008 to a current average of approximately \$3.5 to \$4.5 million. The highest ransom paid to date was reportedly \$9.5 million to release the *Samho Dream* in November 2010. The attacks have spread from the Gulf of Aden and Somali coastal areas to areas off Kenya, Tanzania, the Seychelles, Madagascar, Mozambique, Oman and the Maldives, extending as far as the west coast of India.

Pirates have changed their tactics to try to thwart anti-piracy efforts. Pirates now use captured merchant ships as motherships to launch attacks far from the Somali coast. Motherships are more effective attack platforms than smaller skiffs and they enable pirates to operate during the monsoon season. A further worrying trend has been an escalation in the levels of violence used against captured crews, with stories of keelhauling and other brutal methods of torture being reported. Piracy has gained an increasingly high political and public profile, and the maritime and mainstream media is filled with stories of heavily armed Somali pirates attacking and capturing merchant ships on a regular basis.

The military response to the threat of piracy has been reported extensively, but the shipping community itself is also responding in a number of ways.

