



PIRACY: HOW SAFE ARE OUR SEAS?

By John Luker, director at Reason Global

Piracy has its roots in ancient Greece, 2,000 years ago, when sea robbers threatened the Greek trade routes, and it has continued through time to today. It flourished between 1620 and 1720, as romanticised in the *Pirates of the Caribbean* film franchise, until we get to the modern era and the highly publicised Somali pirates, who have been very active over the past five years.

In total, worldwide numbers of actual and attempted attacks on ships increased from 263 in 2007 to 439 in 2011. However, only 130 were attributed to Somalia, suggesting that while Somali piracy is on the decline, it is still a significant problem in the rest of the world.

So, has Somali piracy been addressed and, if so, how has this been achieved?

There has been considerable international resource dedicated to this issue, with approximately three dozen warships from the Royal Navy, the US Navy, EU countries, NATO, Russia, China and India currently patrolling more than one million square miles of sea, stretching east from the coast of Tanzania across the Arabian Sea, below the Seychelles Group, and then north past the Maldives to India.

This area is also covered by the UK Maritime Trade Organisation (UKMTO), operated by the Royal Navy and based in Dubai. UKMTO provides a point of contact for merchant vessels, allowing them to be tracked through this high risk area.

And in the Gulf of Aden – the body of water between Somalia and Yemen – the Internationally Recommended Transit Corridor (IRTC) provides a high level of safe passage.

With the collaborative work being carried out by these international organisations, it is no surprise that reports of piracy attacks have dropped for the area. Recently, the Somali’s federal government has reportedly offered an amnesty to junior pirates in an effort to dissuade them from following in their elders’ footsteps.

Earlier this year, one of Somalia’s most notorious pirate leaders announced his ‘retirement’, a possible



indication that the Somali pirates are starting to realise that piracy is perhaps not as lucrative as it once was.

However, when you study the reports provided by the International Maritime Bureau (IMB), it becomes clear that piracy is a trade plied in many places and, where it stops or reduces in one place, it will increase in another. An example of this is off the coast of Nigeria, which has seen an increasing number of reported attacks, many violent, with the pirates striking as far as 120 nautical miles from the coast.

So, while the threat of piracy is apparently ever-present, if your customers are wise enough to take out your insurance offering, which is based on the institute cargo clauses (A), you can be assured that the conditions refer to piracy, with the ‘all-risks’ cover including loss, damage or robbery caused by pirates.

Sources: ICC International Maritime Bureau, EU Naval Forces Counter Piracy Site, Financial Action Task Force

Somali piracy may be on the decline, but there are still problems elsewhere in the world