

THE STATE OF MARITIME PIRACY 2014

ASSESSING THE ECONOMIC AND HUMAN COST

EXECUTIVE SUMMARY



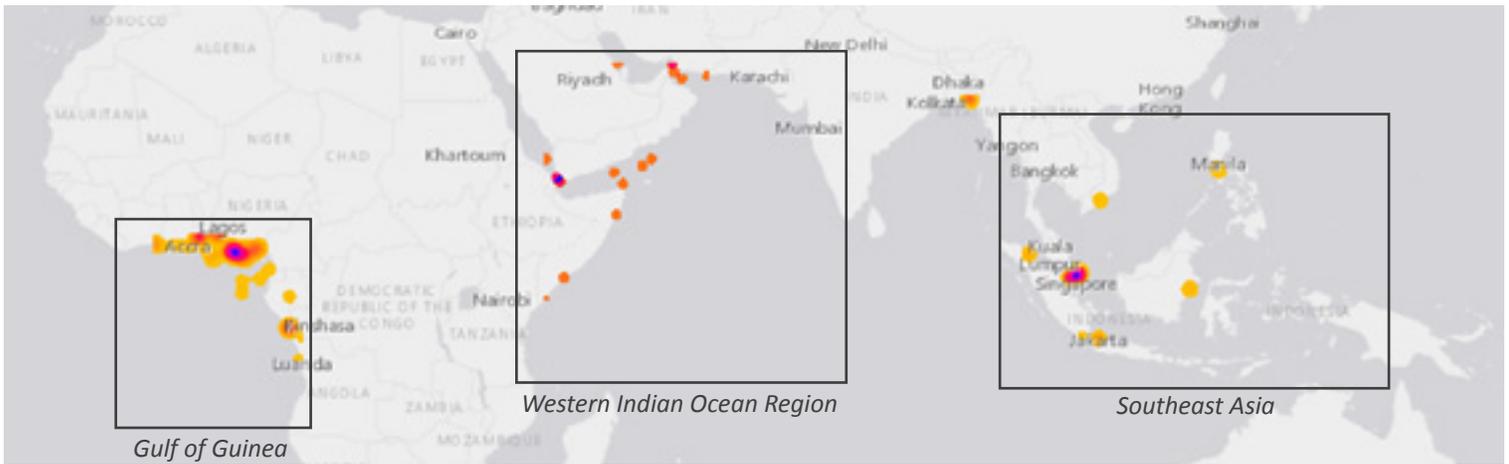
OCEANS BEYOND PIRACY

a project of the One Earth Future Foundation

www.oceansbeyondpiracy.org



STATE OF MARITIME PIRACY 2014 AREAS OF INTEREST:



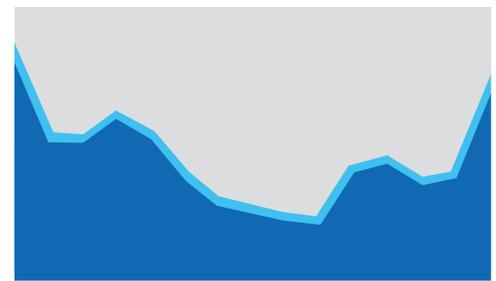
REGIONAL PIRACY TREND COMPARISON:



Gulf of Guinea
(Attacks 2000-2014)



Western Indian Ocean Region
(Attacks 2000-2014)



Southeast Asia
(Attacks 2000-2014)

HUMAN COST OF PIRACY IN 2014:

1035
SEAFARERS
ATTACKED
Gulf of Guinea

320
SEAFARERS
ATTACKED
Western Indian Ocean

3654
SEAFARERS
ATTACKED
Southeast Asia

RISKS:

- Violent initial attack
- Opportunistic kidnap and ransom

RISKS:

- Long-term hostage taking
- Regional seafarers more vulnerable

RISKS:

- High percentage of pirate boarding
- No regard for seafarer welfare

TOTAL SEAFARERS ATTACKED
BY PIRATES IN 2014



5009

ECONOMIC COSTS OF PIRACY IN 2014:

\$983
MILLION
Gulf of Guinea

\$2.3
BILLION
Western Indian Ocean Region

Economic costs of Southeast Asia were not calculated for this year's report.

THE STATE OF MARITIME PIRACY IN SE ASIA

OVERVIEW

HUMAN COST KEY FINDINGS:

OVER 3000 SEAFARERS EXPERIENCED DIRECT CONTACT WITH PIRATES

800 SEAFARERS SUBJECTED TO VIOLENCE OR THREAT OF VIOLENCE

51% OF ATTACKS INVOLVED WEAPONS

- OBP estimates that 40% of the seafarers affected by piracy were from countries within the SE Asia region.
- Physical abuse of seafarers was reported in 28% of incidents.
- The kidnapping for ransom model is absent in SE Asia. Pirates show a callous disregard for seafarers.

PIRATE ACTIVITY KEY FINDINGS:

185 TOTAL ATTACKS

64% OF ATTACKS OCCURRED NEAR THE MALACCA OR SINGAPORE STRAIT

173 / **185** **93%** SUCCESSFUL BOARDING RATE

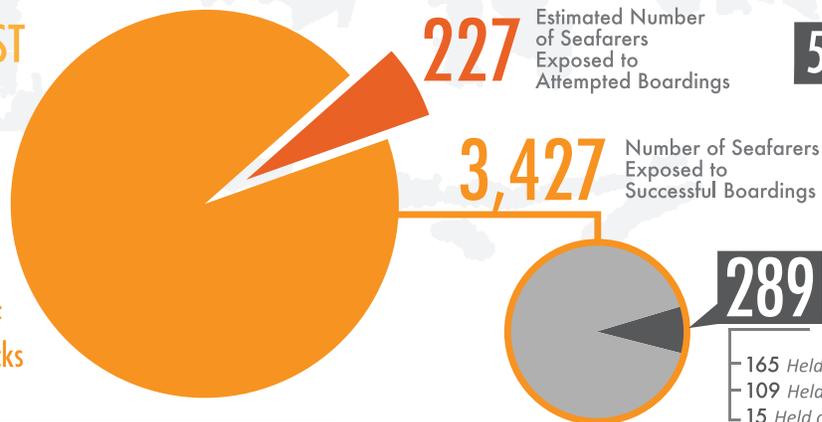
- The complex nature of maritime jurisdictions in the region presents many challenges for the reporting and classification of events.
- SE Asia recorded the highest rate of successful attacks of the three regions OBP assessed in this year's report.
- 93% boarding rate in SE Asia could be affected by reporting ambiguities and vulnerable shipping patterns.

HUMAN COST BREAKDOWN:

2014 HUMAN COST OF PIRACY IN SE ASIA

3,654

Total Estimated Number of Seafarers Exposed to Attacks



5 Seafarers Killed

289 Known Number of Seafarers Held Hostage in 2014

- 165 Held for less than a day
- 109 Held for 2-13 days
- 15 Held of Unknown period of time

PIRATE ACTIVITY BREAKDOWN:

BOARDINGS

93% **173**

Once onboard the vessel **103** OF **173** Resulted in a successful attack

22 Involved Theft

69 Involved Aggravated Robbery

12 Involved Hostage-Taking and Cargo Theft



Attempted (Unsuccessful) Boarding

7% **12**

THE STATE OF MARITIME PIRACY IN THE WESTERN INDIAN OCEAN REGION

OVERVIEW

ECONOMIC COST KEY FINDINGS:

\$2.3 BILLION
TOTAL COST
DOWN 28% COMPARED TO 2013

64% OF COSTS
BORNE BY INDUSTRY

2.5% OF TOTAL COST
ATTRIBUTED TO
LONG-TERM INVESTMENT

- International navy coalition mandates remain unchanged, but fewer assets have been committed to the missions.
- The International Bargaining Forum's High Risk Area was adjusted in mid-2014, reducing the estimated number of transits - and therefore seafarers - eligible for hazard pay by 50%.
- Industry Best Management Practices (BMP), the defined High Risk Area (HRA) and the Joint War Committee (JWC) Listed Area for war risk insurance have not changed since 2012, but re-routing and observed speeds continue to decline and insurance premiums have dropped steadily since the height of the piracy crisis.
- Percentage of vessels employing armed guards remained stable, but teams are getting smaller and more diverse due to cost pressures.

HUMAN COST KEY FINDINGS:

320 SEAFARERS
SUBJECTED TO ATTACKS

18 HOSTAGES
RELEASED
IN 2014

26 HIGH RISK
HOSTAGES
REMAIN IN CAPTIVITY
HELD OVER 1,150 DAYS

- Accounts from released hostages in 2014 (11 hostages from *MV Albedo* held for 1,288 days & 7 hostages from *MV Asphalt Venture* held for 1,492 days) revealed the full extent of torture and mistreatment inflicted on seafarers.
- 26 hostages (all taken from *FV Naham 3* - hijacked 26 March 2012) remain at very high risk due to poor conditions of confinement ashore and slow negotiations.

PIRATE ACTIVITY KEY FINDINGS:

18 PIRATE ATTACKS

2 DHOWS
SUCCESSFULLY HIJACKED

0 COMMERCIAL VESSELS HIJACKED

- Reports of "Suspicious Activity" are still common, accounting for 87% of all reported pirate activity in the Western Indian Ocean Region (WIOR); they are often classified as "False Alarms" by reporting centers.
- Restrictive reporting definitions and frameworks could mask important warning indicators and precursors.
- Incident reports for regional vessels are unreliable due to intimidation and lack of local reporting agencies.

WESTERN INDIAN OCEAN OVERVIEW

ECONOMIC COST BREAKDOWN:

**Total Economic Cost of Piracy
in the
WESTERN INDIAN OCEAN REGION
2014**

\$2.2 - \$2.3 Billion

Government & Civil Society Costs
\$805 Million

36%

- Naval Operations
- Ransoms & Associated Payments
- Prosecutions & Imprisonment
- Counter-Piracy Organizations

Industry-Employed
Vessel Protection Measures
\$1.2 Billion

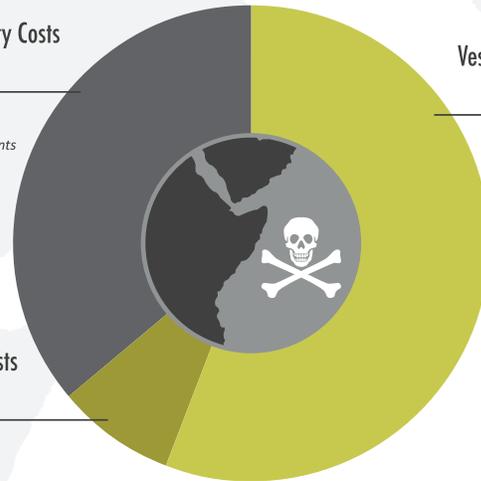
56%

- Armed Guards
- Security Equipment
- Increased Speed
- Rerouting

Other Industry Costs
\$175 Million

8%

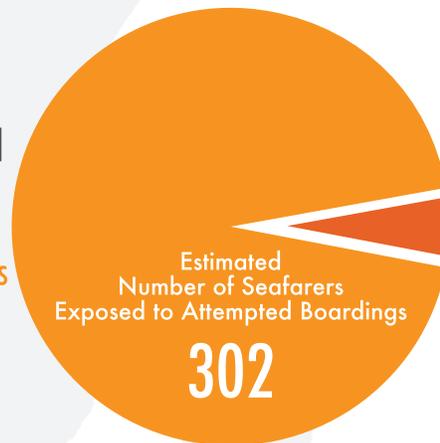
- Insurance
- Labor



HUMAN COST BREAKDOWN:

**2014 HUMAN COST
OF PIRACY IN THE
WESTERN INDIAN OCEAN REGION**

320 Total Estimated Number of
Seafarers Exposed to Attacks



18 Number of Seafarers
Exposed to
Successful Boardings



PIRATE ACTIVITY BREAKDOWN:

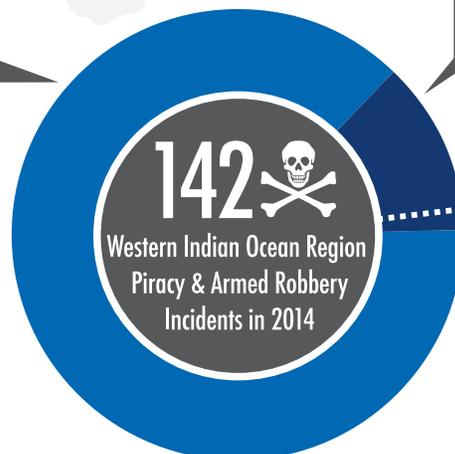
Suspicious Activity

124 **87%**

Pirate Attacks

18 **13%**

ZERO MERCHANT VESSELS
Successfully Pirated in 2014



Successful Hijackings

2 **1%** **11%** RATE OF
SUCCESS

Note: Both successful hijackings
were dhows

THE STATE OF MARITIME PIRACY IN THE GULF OF GUINEA

OVERVIEW

ECONOMIC COST KEY FINDINGS:

\$983
MILLION
TOTAL COST

\$314
MILLION SPENT ON
VESSEL PROTECTION MEASURES

47% OF COSTS
BORNE BY INDUSTRY

- Region significantly increased priority for developing its maritime security infrastructure, but capacity still lacking.
- Over half of the total economic cost attributed to military operations.
- Ransom costs estimated at \$1.6 Million, but confidential systems of payment make true cost difficult to obtain.
- OBP estimations show 29% of total costs attributable to regional states.

HUMAN COST KEY FINDINGS:

1035
SEAFARERS
SUBJECTED
TO ATTACKS

170 SEAFARERS
DETAINED
OR HELD HOSTAGE

55% OF ATTACKS
INVOLVED WEAPONS

- Information related to the impact of piracy attacks on seafarers is limited due to reporting challenges.
- Seafarer awareness and advocacy more challenging in the Gulf of Guinea.
- Regional seafarers at greater risk due to intimidation from local perpetrators.
- No piracy prosecutions/No accountability for criminals.

PIRATE ACTIVITY KEY FINDINGS:

67
TOTAL ATTACKS

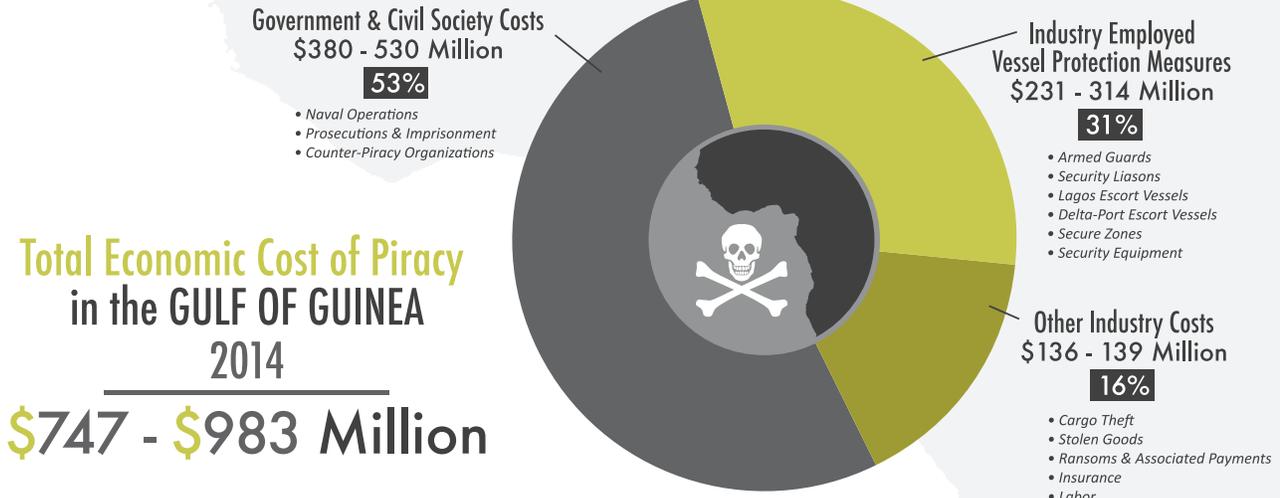
58% OF ATTACKS
OCCURRED IN
INTERNATIONAL WATERS

26 / **67** **39%**
ATTACK SUCCESS RATE

- Decline in reported attacks in 2014, but consistent with historical patterns of fluctuation in the region.
- As many as 70% of attacks go unreported (Pottengal Mukundan - Director, International Maritime Bureau - IMB).
- Increase in number of attacks in international waters represents piracy's expanding geographical range.
- 60% of piracy incidents occurred in the waters off Nigeria.

GULF OF GUINEA OVERVIEW

ECONOMIC COST BREAKDOWN:

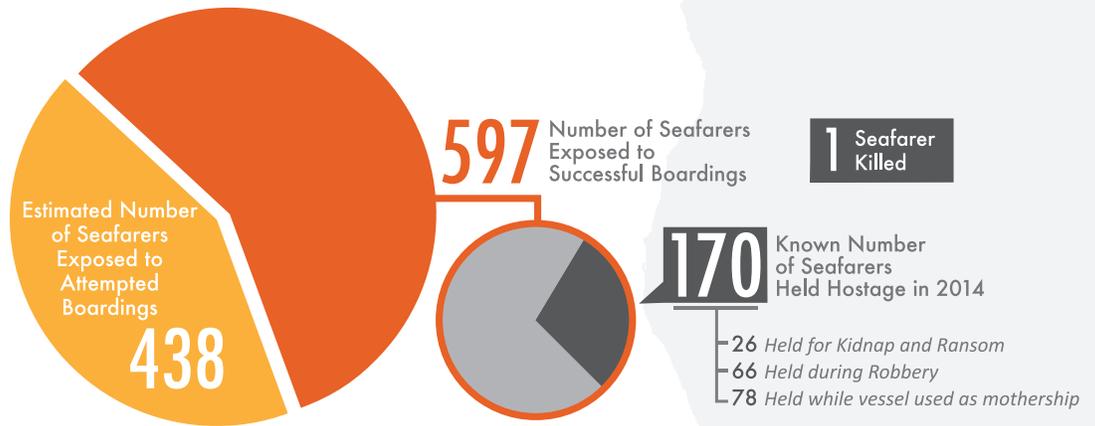


HUMAN COST BREAKDOWN:

2014 HUMAN COST OF PIRACY IN THE GULF OF GUINEA

1035

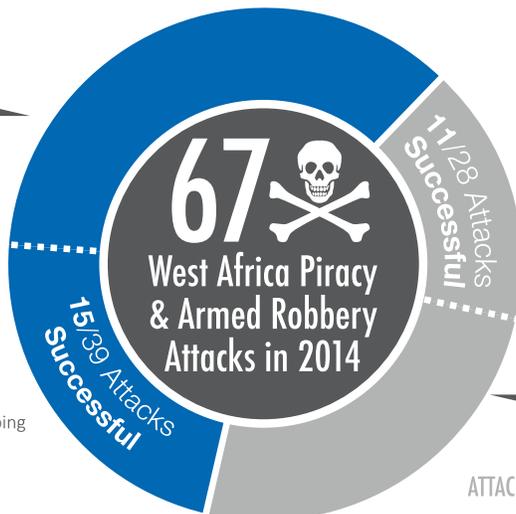
Total Estimated Number of Seafarers Exposed to Attacks



PIRATE ACTIVITY BREAKDOWN:

ATTACKS OCCURRED IN INTERNATIONAL WATERS

39 58%



4 Cargo (Oil) Theft
11 Hostage Kidnapping

6 Robbery
1 Cargo (Oil) Theft
4 Hostage Kidnapping

ATTACKS OCCURRED IN TERRITORIAL WATERS



www.oceansbeyondpiracy.org

For more information on The State of Maritime Piracy 2014 report, please contact:

MATT WALJE

Project Officer, Oceans Beyond Piracy

Office: +1 720 274 8223

Mobile: +1 913 909 1185

mwalje@oneearthfuture.org

JENS VESTERGAARD MADSEN

Senior Project Associate, Oceans Beyond Piracy

Mobile: +1 303 709 4776

jvmadsen@oneearthfuture.org