RiskIntelligence

Maritime security and Covid-19: Impacts and Implications

Whitepaper | September 2020

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About Risk Intelligence

Risk Intelligence is a leading, trusted and reliable partner, providing end-to-end risk assessment and planning. We specialise in analysing threats from the interaction between piracy, organised crime, terrorism, insurgency and military conflicts – since 2001. Our team is dedicated and resourceful, drawing from international experience and a diverse range of backgrounds.

Introduction

The Covid-19 pandemic has had a huge influence on the global economy and on international trade. In the maritime industry, many segments have been affected, but to extremely varying degrees. That is partly due to the nature of specific types of operations, but also to the resilience and crisis management arrangements of individual companies.

Any emergency will affect companies unevenly and therefore has to be managed differently. No two contingency plans are identical. Any plan that is a perfect fit for one company may not suit another.

The pandemic itself is obviously a major concern for most companies in the maritime sector. Shipping companies, for example, face the possibility of staff and crew contracting the virus while they also have to deal with restrictions in port calls and crew changes, impacts on cargo volumes and handling as well as unexpected work-from-home arrangements for shore-based staff.

No two contingency plans are identical. Any plan that is a perfect fit for one company may not suit another.

Whether and to what degree Covid-19 will impact existing maritime security threats around the world is a separate question. In this whitepaper, we explore the current maritime security situation in ten different areas. While the characteristics of these areas are vastly different, there is one common denominator: there are at least some operational concerns for merchant ships in all ten regions.

Overall, there is no evidence to suggest that the impact of Covid-19 has led to an immediate increase of threat levels for merchant shipping around the world. At the same time, our forecasts show that shipping operations will continue to face certain challenges in the coming months. Moreover, local conditions are much more important to determine certain threat levels which may be influenced by measures to curb the spread of Covid-19, by relatively low oil prices or by a broad range of other factors on the regional, national or even local level.

For companies in the maritime sector, situational awareness is extremely important to mitigate operational risks.

For all companies involved in the maritime sector, situational awareness is therefore extremely important. Shipping companies, insurers, port and terminal operators – these are just some examples of companies which have to deal with many types of security threats on a daily basis. At the same time, navies and law enforcement agencies should also be aware of these threats and how they influence the private sector.

When it comes to Covid-19 in particular, the response and recovery phases of the pandemic will likely stretch over many months, perhaps even years. Covid-19 is far from an average crisis and it is reasonable to assume that most contingency plans that were in place by the end of 2019 did not include the risk from a pandemic. However, the maritime community can build on its experiences and be better prepared next time. The final section of this whitepaper therefore provides a brief look at preparations that should be made to mitigate the next emergency.

Maritime security in the age of Covid-19

Covid-19 has arguably been the most widely discussed topic in recent months. Measures to curb the spread of the virus have affected virtually all countries around the world, albeit to varying degrees and at different times. Lockdowns and travel restrictions also had a massive impact on the shipping industry and particularly on seafarers.

When it comes to security threats in the maritime environment, however, the impact of Covid-19 is – so far – extremely limited. Despite media reports about a potential return of piracy in the Indian Ocean or increasing numbers of attacks in the Gulf of Guinea, there is no evidence to support such claims. Nevertheless, ship operators continue to face a broad range of security challenges around the globe, highlighted by the number of security incidents recorded by Risk Intelligence during the first half of 2020.
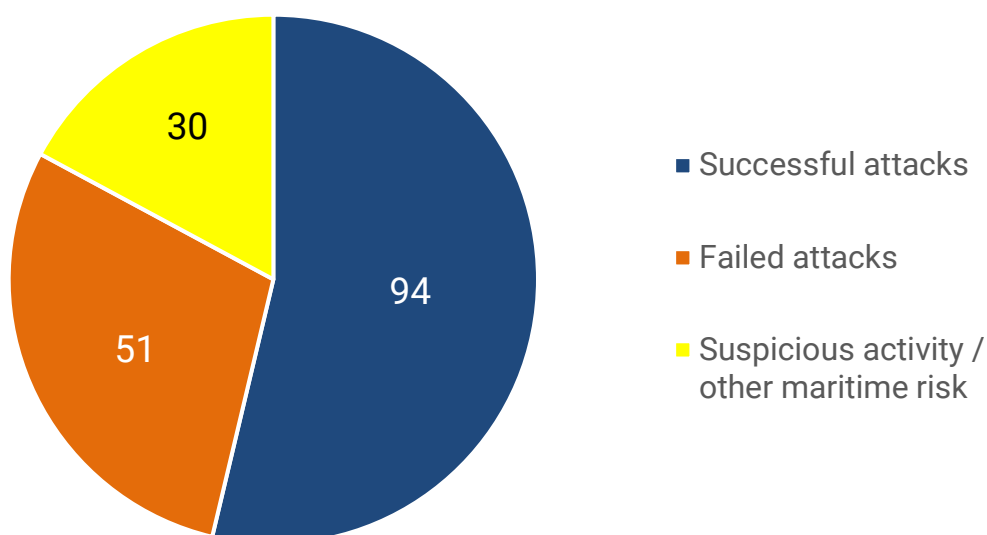
Global maritime security incidents recorded by Risk Intelligence between 1 January and 30 June 2020 (Source: Risk Intelligence System).

It is not enough to simply look at numbers such as those shown above. Successful attacks include violent incidents during which seafarers were kidnapped, but also petty thefts without any physical confrontations. The same is true for incidents that are broadly classified as failed attacks. In some cases, vessels were fired upon but the perpetrators failed to board; other cases involve a lone intruder who escaped empty-handed when discovered by the anchor watch.

Overall, it is important for owners, operators, insurers and other stakeholders in the maritime industry to maintain an appropriate level of situational awareness. This is a vital addition to guidance documents issued by industry organisations, flag states or navies. By definition, security threats are dynamic – protecting seafarers, ships and cargoes therefore requires constantly updated knowledge.

Gulf of Mexico
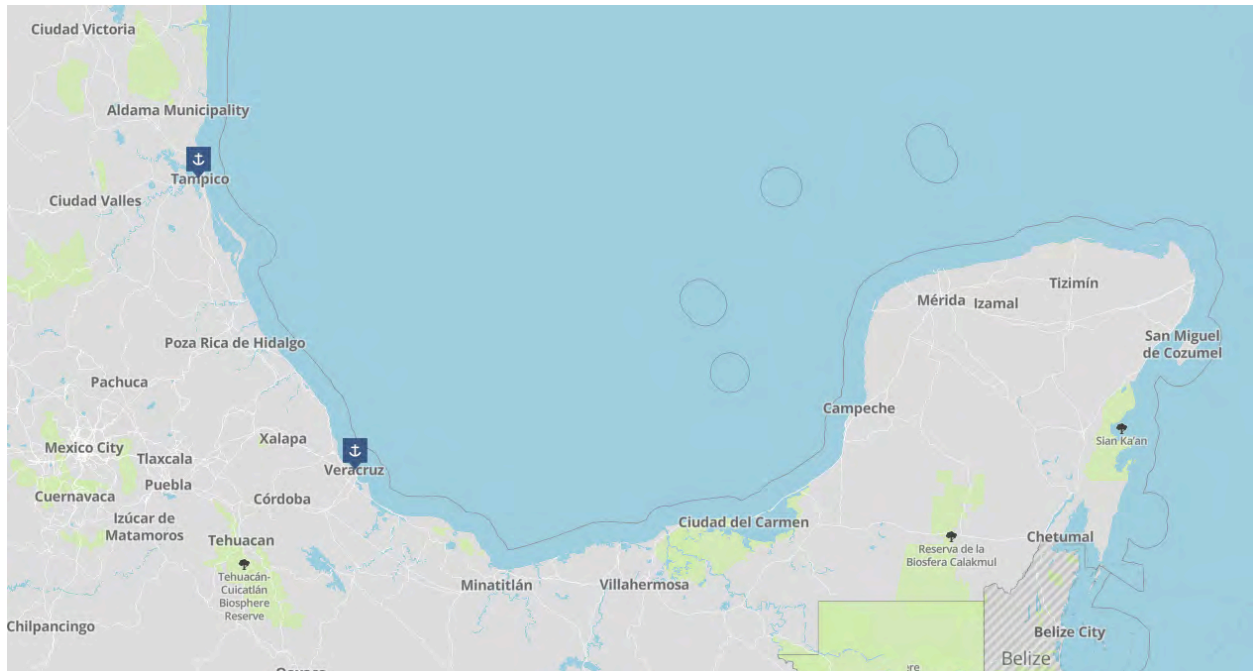
The Gulf of Mexico including ports covered on the Risk Intelligence System. Exclusive Economic Zones are indicated by dotted lines and territorial waters by solid lines. Some of these boundaries are disputed.

Current situation

The current maritime security situation in the Gulf of Mexico is characterised by a persistent threat of armed robbery against vessels, primarily affecting those vessels supporting offshore oil operations in the Bay of Campeche. This threat has been present for some time. But it previously mainly affected local service vessels and was not widely reported, even in Mexico. Over the past 12 months, however, the threat has expanded. Several high-profile attacks against internationally flagged vessels have been reported, alerting many companies involved in offshore operations in this area – at the same time as more international companies have moved into Mexico's oil industry.

> *The threat of armed robberies has expanded from local to international offshore supply vessels, servicing the oil industry in this area.*

In general, the perpetrators are likely to be locally based and to have links to oil operations in the area. The threat is currently limited to boardings of vessels for the purposes of theft/armed robbery and has not included hijackings of ships or kidnappings of crew members. It has also not affected merchant ships in transit or in major local ports. The threat is therefore concentrated in the vicinity of Paraiso/Dos Bocas and Ciudad del Carmen.

The Mexican Navy has recently implemented a safe anchorage scheme in the latter area. While it is too early to assess its effectiveness, one attack against an offshore supply vessel was reported in July.

Impacts of Covid-19

Mexico has been significantly affected by Covid-19. Organised criminal groups in the country – the so-called cartels – have responded by diversifying their operations and have been forced to adapt in particular to additional restrictions on movement. Maritime security in the Gulf of Mexico is more affected by other factors, such as the rate of expansion of the offshore oil industry, the number of possible target vessels in particular locations, and the ability of naval forces to provide security. While there might be broader implications from Covid-19 in the country, a specific impact on maritime security is currently not expected.

At a glance
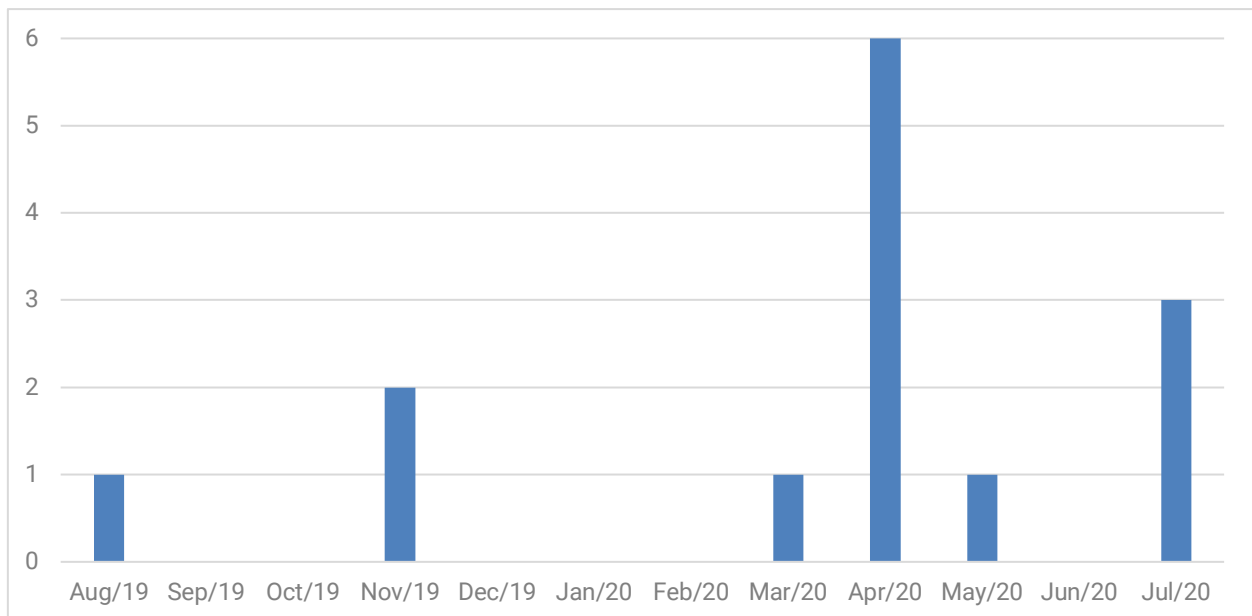
Maritime security incidents in the Gulf of Mexico from August 2019 to July 2020, covering armed robberies, thefts and failed attacks (Source: Risk Intelligence System).

Forecast

The threat of armed robbery is expected to remain persistent in the coming three to six months. After a surge in reported incidents in April 2020, some security measures were put in place. However, the figures shown above represent only reported incidents. It is very likely that additional attacks affecting local vessels are not reported.

The Mexican Navy has increased operations in the area, and there has been pressure on the Mexican government to prioritise security for offshore oil operations. The main challenge for naval forces is the provision of security for a high number of vessels in a relatively large area. Perpetrators need only a short time on ships to take crew valuables and equipment before escaping.

Gulf of Guinea
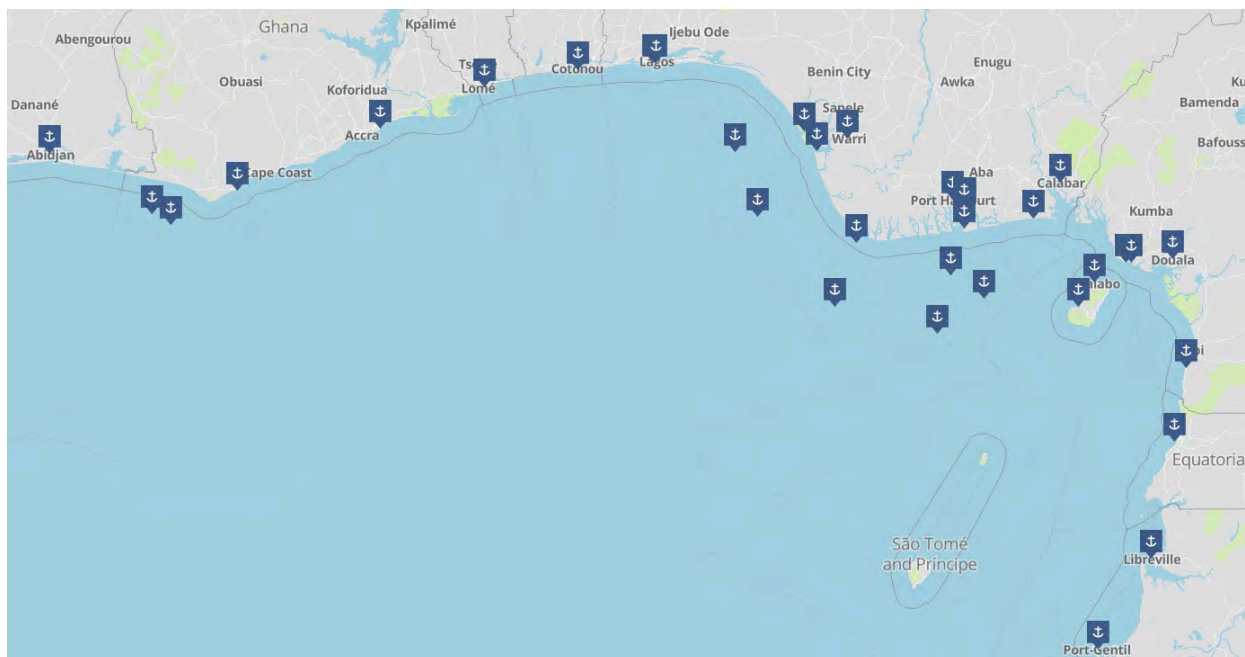
The Gulf of Guinea including ports and offshore terminals covered on the Risk Intelligence System. Exclusive Economic Zones are indicated by dotted lines and territorial waters by solid lines. Some of these boundaries are disputed.

Current situation

The main concern for maritime operations is the situation off Nigeria, particularly off the Niger Delta. Criminal groups may attack all types of vessels, aiming to kidnap crew members. The number of attacks is generally low during the rainy season from April to September, but the threat level has been underlined by several successful and attempted attacks throughout the Gulf of Guinea in recent months.

Successful and attempted attacks at distances of more than 100 nm from the Niger Delta coastline have been recorded in recent months. Moreover, all types of vessels may come under attack, although 'low and slow' types of ships are more likely to be successfully boarded.

Links between attacks that are broadly described as 'piracy' and other types of illicit activities must be analysed to provide a realistic threat assessment.

At the same time, links between attacks that are broadly described as 'piracy' and other types of illicit maritime activities must be carefully analysed to provide a realistic threat assessment. Some kidnappings of crew members that have been reported in recent months are likely to be related to disputes between criminal groups rather than – primarily – motivated by potential ransom payments. Moreover, increasing capacities of and cooperation between maritime agencies across the region have helped to increase the number of reports about security incidents, including attacks that would have been unlikely to be widely known in previous years.

Impacts of Covid-19

The impact of Covid-19 has not led to any immediate maritime security challenges in addition to those already present in the region. However, the economic impact of measures to curb the spread of Covid-19 – coupled with low oil prices – is likely to further increase poverty rates and income equality. In the medium to long term, this will make it even more complicated for navies and law enforcement agencies to address existing criminal patterns, including piracy attacks against vessels operating throughout the Gulf of Guinea. Maritime agencies are unlikely to receive significant additional funding as governments are generally likely to focus even more on land-based security threats.

At a glance
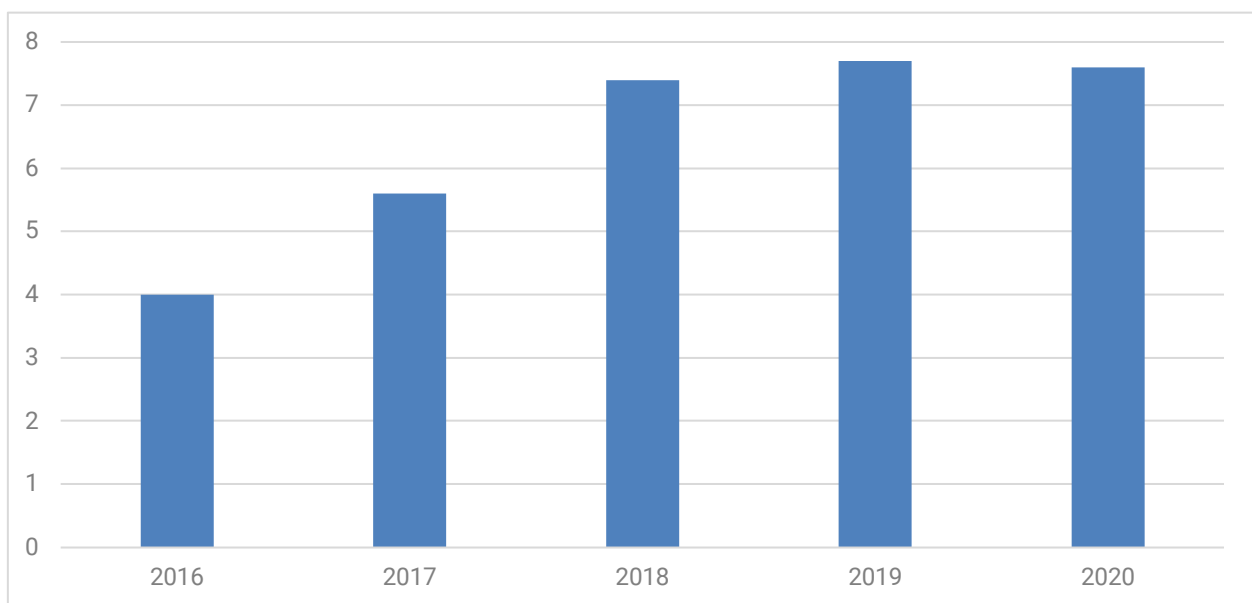
Average number of hostages taken from merchant ships during successful kidnap-for-ransom attacks in the Gulf of Guinea (Source: Risk Intelligence System).

Forecast

Over the next three to six months, deteriorating economic conditions and shortfalls in government revenues are likely to cause an increase in overall crime rates, including illicit activities in the maritime environment. The situation in the Niger Delta must be monitored with particular concern. There have already been indications of an increasing number of demonstrations and attacks by criminal or militant groups.

Kidnap-for-ransom attacks targeting seafarers will remain the most important threat for merchant ships and the threat level will remain significant, particularly in proximity to the Niger Delta where criminal groups have access to the necessary infrastructure to keep hostages during ransom negotiations.

Western Mediterranean
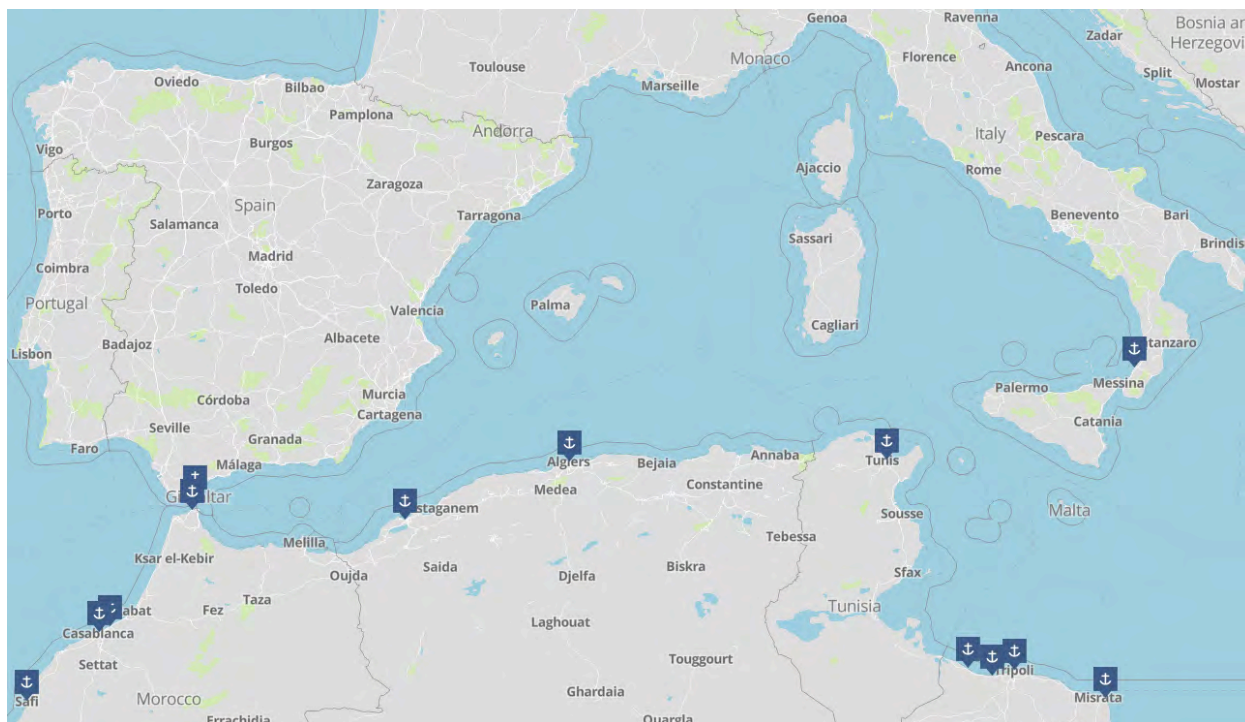
The western part of the Mediterranean Sea including ports covered on the Risk Intelligence System. Exclusive Economic Zones are indicated by dotted lines and territorial waters by solid lines. Some of these boundaries are disputed.

Current situation

The current situation in the Western Mediterranean is assessed to be benign with few significant threats for merchant vessel operations, but stowaways and human trafficking may pose problems in specific cases. In 2020 to date, the region has seen a sharp increase in migrant traffic off Tunisia and the routes to the Italian islands and Sicily compared to 2019. The route from Morocco to Spain is seeing a consistently high number of crossings.

Migrant traffic off Tunisia has seen a sharp increase in 2020, while the number of crossings from Morocco to Spain remains at a high level.

Most attempted crossings are done in small, derelict vessels and dinghies provided by human smuggling groups operating out of coastal communities in North Africa. Capsized and sinking migrant boats are regularly reported, and vessels operating in migrant waters can potentially be called on to conduct or support rescue operations under international law. However, vessels with rescued migrants on board are regularly denied entry into ports across the region to avoid migrant arrivals in the respective country.

With few resources available on most vessels to support large numbers of people for extended periods of time, this may cause a wide range of issues, as well as create potentially dangerous situations for crews if migrants become desperate or fear a return to their country of origin.

Impacts of Covid-19

The overall threat of migrant traffic has not been impacted considerably by the Covid-19 pandemic. However, in early spring, many migrants were to some degree deterred from crossing due to the outbreak and subsequent lockdown measures, leading to traffic dropping drastically over March and April. This was likely a result of fear and doubt in migrant communities in North Africa regarding the safety and feasibility of arriving in Europe in the middle of the lockdown. This effect has now diminished; restrictions are being lifted in most countries, and crossings have resumed with the summer and favourable weather.

The increase in migrant traffic in 2019 compared with the previous year is highlighted by figures for Italy shown below. At the time of writing, figures for August were also significantly higher than during the previous year.

At a glance
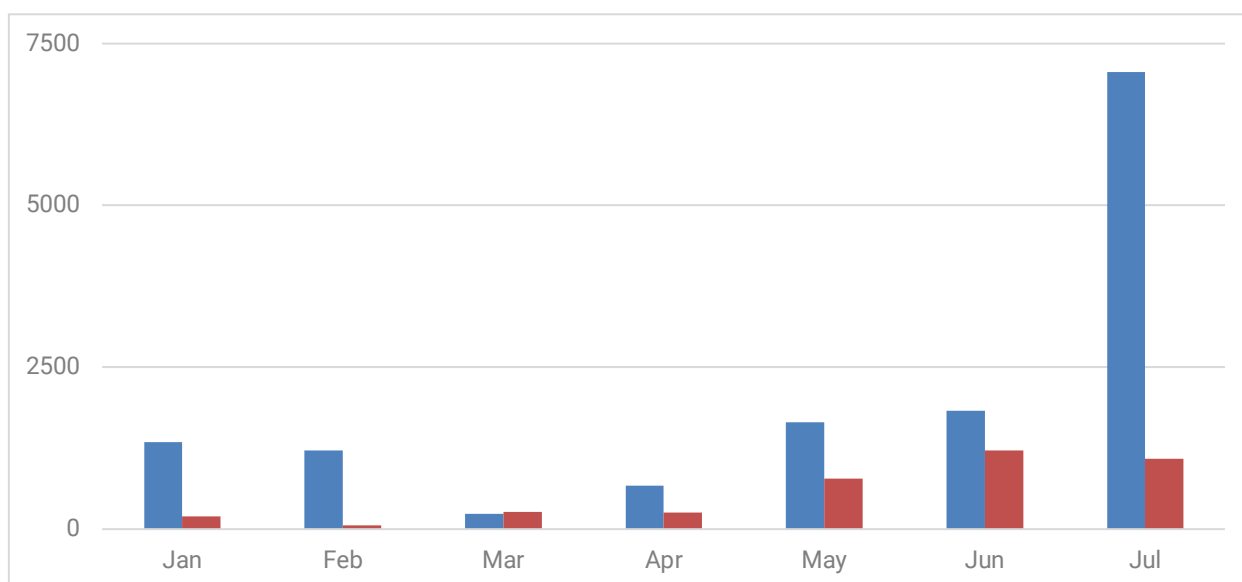
Number of sea arrivals in Italy by month for 2020 to date (blue columns), compared with the same months in 2019 (red columns) (Source: UNHCR).

Forecast

The threat will likely be exacerbated in the coming months by the economic impact of Covid-19 in Northern African countries, where many migrants have lost their jobs and could become more desperate for transits to Europe. With more crossings expected, but no change in the quality of boats used, more vessels are likely to capsize during the crossings.

Official numbers already show a 25% increase in dead and missing in 2020 compared to the first 6 months of 2019. With fewer rescue vessels active due to Covid-19 restrictions and ports closed to avoid arrivals and the spread of infection, more migrants in distress will rely on civilian vessels for rescue.

Eastern Mediterranean
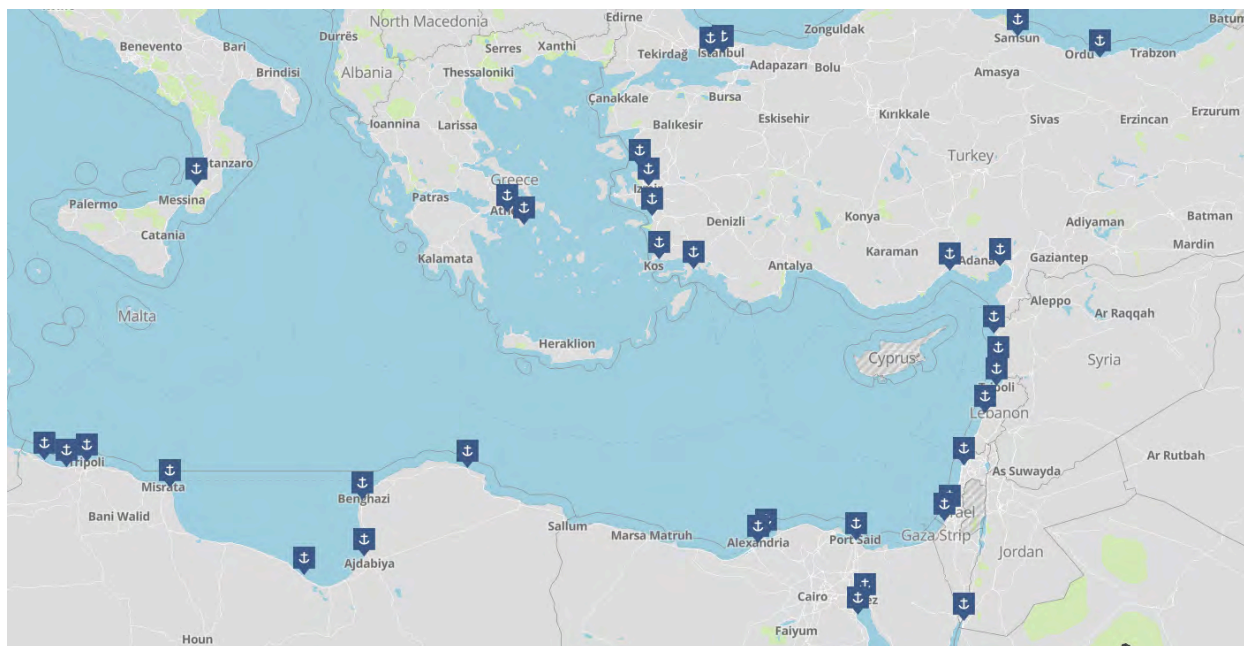
The eastern part of the Mediterranean Sea including ports covered on the Risk Intelligence System. Exclusive Economic Zones are indicated by dotted lines and territorial waters by solid lines. Some of these boundaries are disputed.

Current situation

Threats to maritime operations in the Eastern Mediterranean are generally moderate. The political environment in the region is tense but has not affected commercial shipping so far.

Irregular migration remains the main threat to merchant vessel operations in the area. Migration across the Mediterranean has surged since July as good weather and deconfinement encourage more boats to depart from the North African and Turkish coasts. This increases the likelihood of an encounter with migrant vessels on voyages through the area. Vessels rescuing migrants in the Mediterranean may face delays when calling ports where local authorities may refuse to host rescued individuals.

The tense political situation in the region has not affected commercial shipping operations so far, yet the situation should be monitored.

There are escalating rivalries between countries in the region. Diplomatic tussles concerning undefined Exclusive Economic Zones have erupted between Turkey, Greece, and Egypt. These are partially linked to the new oil & gas drilling projects which regional players hope to control. Foreign involvement in the Libyan conflict has meant that an increasing number of warships are navigating the Eastern Mediterranean to assert national interests, although this has not significantly impacted commercial shipping. There is still a moderate threat of detainment when operating close to Libyan territorial waters, notably off the eastern coast.

Impacts of Covid-19

So far, the impact of Covid-19 has not led to any direct maritime security challenges in addition to those already present in the region. The strict lockdowns imposed across many countries during the first months of the crisis had disturbed trafficking operations, thereby decreasing the flow of migrants to Europe in the spring. This has in turn amplified the stream of irregular arrivals during the summer as new potential routes appear, and the pent-up migratory flow starts reaching Europe. The pandemic has nonetheless considerably worsened the region's economic prospects, which will likely impact the security situation in the coming months and years.

At a glance
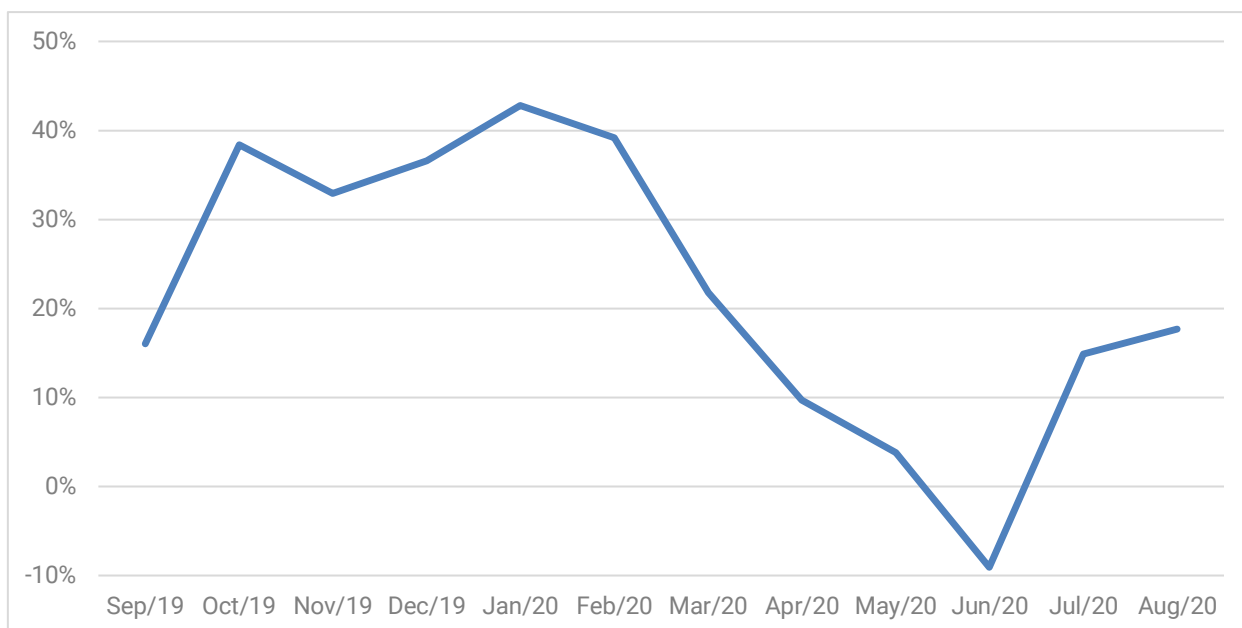
Year-on-year increase/decrease in the number of commercial vessels present in the Eastern Mediterranean, based on AIS data (Source: Lloyd's List Intelligence).

Forecast

Over the next three to six months, economic hardship caused by the pandemic is likely to cause domestic instability in countries with vulnerable populations. The region may see increased activism, such as the demonstrations in Lebanon and Israel, which could disturb landside operations. The surge in migration to Europe is likely to last throughout the summer unless confinement measures are reintroduced throughout the region.

Finally, an increase in tensions between neighbouring countries is also possible, as governments seek to deflect attention from internal issues by focusing on external threats. This may translate into increased military activities in an area that has seen a significant increase in commercial shipping traffic in the recent past.

Black Sea
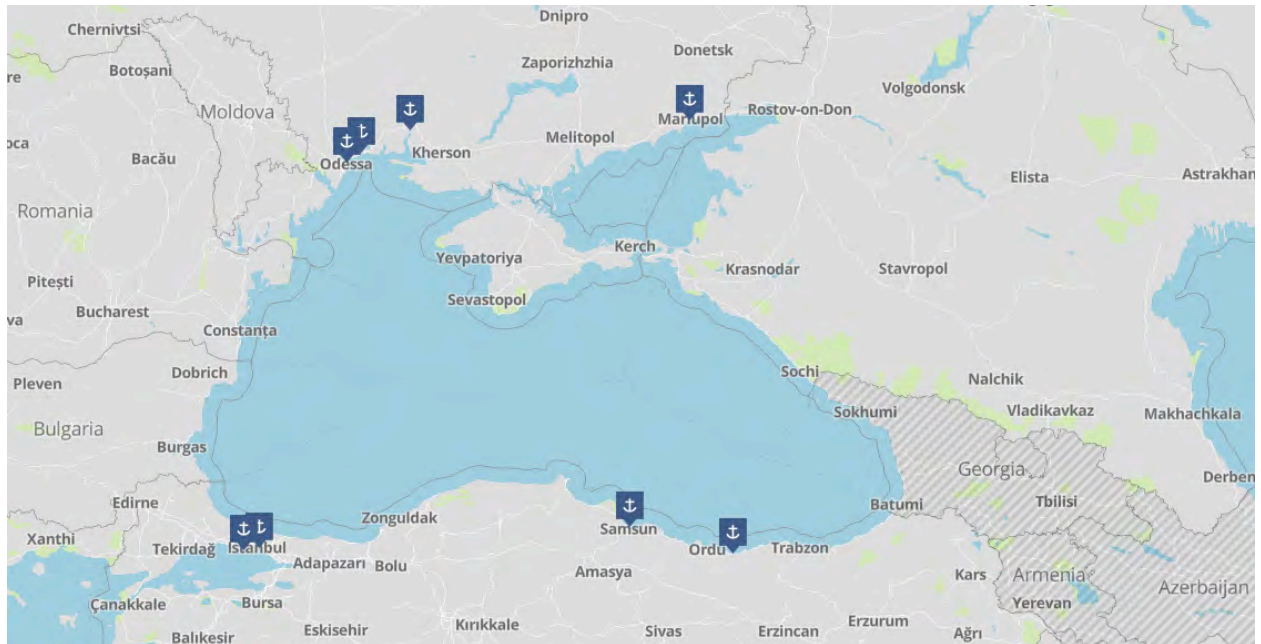
The Black Sea including ports covered on the Risk Intelligence System. Exclusive Economic Zones are indicated by dotted lines and territorial waters by solid lines. Some of these boundaries are disputed.

Current situation

The overall security situation around the Black Sea remains relatively stable. However, there are continuous heightened tensions in the region, mainly due to the ongoing conflict regarding the Crimean Peninsula.

The general concern for maritime operations is concentrated on possible delays when transiting the Azov Sea and the Kerch Strait, smuggling, irregular migration, and incidents of spoofing of satellite navigation such as GPS. Illegal bunkering operations are also known to take place. Harassment of vessels has previously occurred and – though now less likely – must still be considered as a possible interference with regular maritime operations. However, previous harassment has mainly been towards vessels operating under the flags of Ukraine or Russia.

Harassment of merchant vessels must still be considered as a possible interference with regular maritime operations.

National political dynamics and particularly the stability of political systems in countries around the Black Sea should be considered. A general rise in politically charged demonstrations, taking place in most of the Black Sea countries as well as the wider region, may lead to wider disruptions to logistics operations, including maritime, in the respective countries. Riot police forces, occasionally also the military, have been deployed as part of controlling the demonstrations and violent clashes are known to occur relatively frequently.

Impacts of Covid-19

The impact of Covid-19 on security related to maritime operations is limited. All Black Sea countries have responded differently to the implications related to the pandemic, with some countries introducing different responses, including differing locally enforced curfews.

However, aside from some demonstrations expressing discontent with government responses, there has not been any notable activity with a direct impact on maritime security. Nevertheless, national advisory on Covid-19 measures should be taken into consideration. Furthermore, the average delays of vessels entering or leaving the Sea of Azov were reduced significantly during the height of the pandemic, highlighted in the figure below.

At a glance
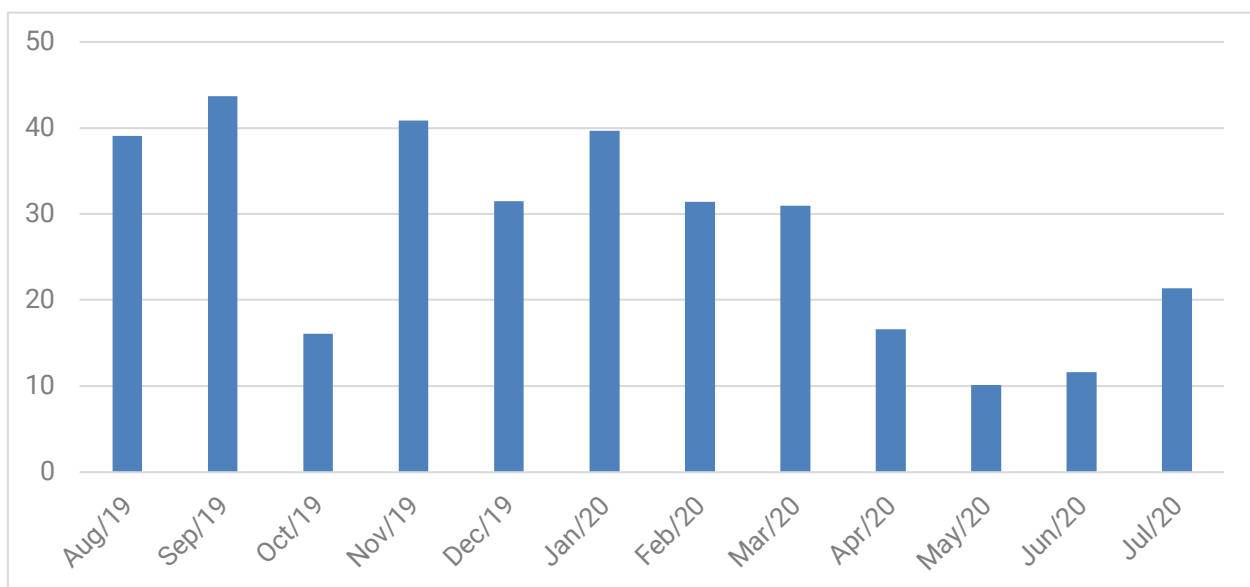
Average delays of ships (in hours) en route to Mariupol and Berdyansk at the Sea of Azov entrance (Source: Institute of Strategic Black Sea Studies).

Forecast

In the coming three to six months, the overall security situation is set to remain similar to the current state of affairs. However, a recent escalation in hostilities has been seen between Armenia and Azerbaijan, with concerns over this development expressed by regional actors, including Turkey and Russia. Nevertheless, the current assessment is that this is less likely to become an outright declaration of war.

Additionally, for Georgia, the two breakaway regions of Abkhazia and South Ossetia are also issues which have the potential to draw in regional actors which would significantly heighten the current disputes – although this is less likely in the near future. Together with national political tensions, non-resolved issues over the annexation of the Crimean Peninsula remain the most volatile factors in region.

Red Sea / Bab el Mandeb

The Red Sea and the Bab el Mandeb including ports covered on the Risk Intelligence System. Exclusive Economic Zones are indicated by dotted lines and territorial waters by solid lines. Some of these boundaries are disputed.

Current situation

The civil war in Yemen is the main determinant of maritime security in the southern part of the Red Sea. The maritime dimension of this conflict has reduced as Houthi forces, previously the main maritime threat, have largely concentrated their efforts elsewhere. However, the Houthis retain the capability to target vessels in the area with missiles or waterborne improved explosive devices (WBIEDs, the so-called drone boats). In the past, they have successfully targeted coalition warships, other vessels linked to the coalition – such as Saudi-flagged tankers – as well as port areas such as Jizan.

> *The Saudi-led coalition naval forces remain active in this area and frequently conduct operations against local craft.*

Coalition naval forces, primarily those of Saudi Arabia, are active in the area and control access to the ports of Hudaydah and Saleef in northern Yemen, where the UN-led inspection regime (the UNVIM, see figures on the next page) is in place to prevent weapons and ammunition from being smuggled to the Houthis. These naval forces regularly conduct operations against local craft that they suspect of smuggling or threatening activities.

The piracy threat is insignificant north of the Bab el Mandeb, although local craft – including smugglers as well as coastguard forces from Eritrea and Yemen (which often use small skiffs) – might be mistaken for pirates or other threats.

Impacts of Covid-19

Yemen was already gripped by various public health crises prior to the Covid-19 outbreak. Reported cases are relatively low, but the competing governments in the civil war lack the resources for comprehensive testing, under-reporting is therefore very likely.

Nonetheless, the Covid-19 situation has not had an impact on maritime security so far. Maritime security, as it is related to Yemen's civil war, is affected by political and strategic decisions by the Houthis, political factions in southern Yemen, and Saudi Arabia as the dominant player in the anti-Houthi coalition. Any public health or economic/societal considerations are secondary.

At a glance
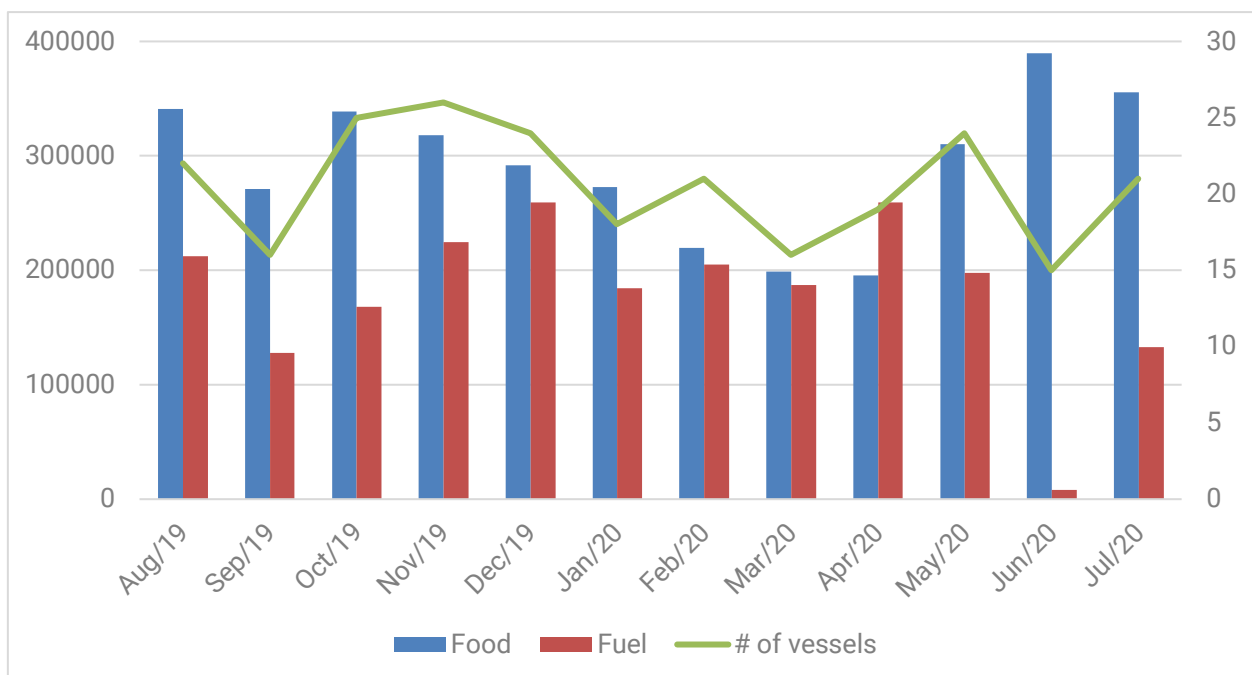
Monthly quantities (in tons) discharged by type of cargo in the ports of Hudaydah and Saleef and the number of vessels sailed from either port (Source: UNVIM).

Forecast

Negotiations between Saudi Arabia and the Houthis are ongoing and progress on these will determine the maritime security situation in the coming three to six months. There remains the possibility that the Houthis will resume maritime attacks to put pressure on Saudi Arabia. If such attacks were to take place, they would likely target naval forces and port areas in the first instance. Saudi-flagged tankers or other related vessels may be targeted. Other merchant vessels in transit could be targeted by mistake or become targets of opportunity.

Given the weapons involved, such as anti-ship missiles or WBIEDs, the consequences from collateral damage or mistaken/opportunistic targeting may be severe. A campaign directed against internationally-flagged merchant vessels in transit is unlikely, particularly given that the Houthis have avoided direct targeting of such vessels to date in the conflict.

Gulf of Aden / Arabian Sea

The Gulf of Aden and the western part of the Arabian Sea including ports covered on the Risk Intelligence System. Exclusive Economic Zones are indicated by dotted lines and territorial waters by solid lines. Some of these boundaries are disputed.

Current situation

Even though resources of piracy leaders and investors are increasingly elsewhere, there still remains the capability to carry out attacks. Piracy therefore remains an elevated threat in the Gulf of Aden and the Arabian Sea. Vessels in transit, particularly in the Gulf of Aden, continue to report encounters with local craft – often armed – that might be probing approaches to assess ship defences and the vulnerability of vessels.

> *Local craft used for smuggling operations to and from Yemen are generally armed and can be mistaken for other threats.*

That said, the past 12 months has seen ongoing smuggling activity across the Gulf of Aden, particularly arms smuggling to and from Yemen. Local craft used for smuggling (often controlled by former pirate leaders) are generally armed and can be mistaken for other threats. In their efforts to avoid interdiction, and with cargoes of arms and explosives, there is some potential for encounters with these craft that might lead to exchanges of gunfire with armed guards on merchant vessels or even other consequences. Human trafficking is also taking place, although with a reduction in numbers this year, as part of the overall picture of maritime activity in this area.

Despite two specific incidents this year that were possibly terrorist attacks from groups based in Yemen, there is no sustained threat of terrorism in the region. Any attacks would be opportunistic. Both incidents that took place in 2020 are more likely based on specific circumstances that do not represent a more general threat to all vessels.

Impacts of Covid-19

Covid-19 continues to be a public health challenge in regional countries such as Somalia and Yemen. However, it has not translated into specific threats to maritime security. The main drivers for insecurity at sea continue to be conditions onshore in Somalia and Yemen, including questions of governance and the ability of security services to prevent operations of militant and criminal groups. There might be some economic drivers towards increased crime, or limits on deployments of security services, but these will not be decisive factors.

There have been some Covid-19 restrictions that have affected private maritime security companies providing armed guard services for vessels in transit. However, this has not led to a dramatic change of the overall security picture in the region.

At a glance
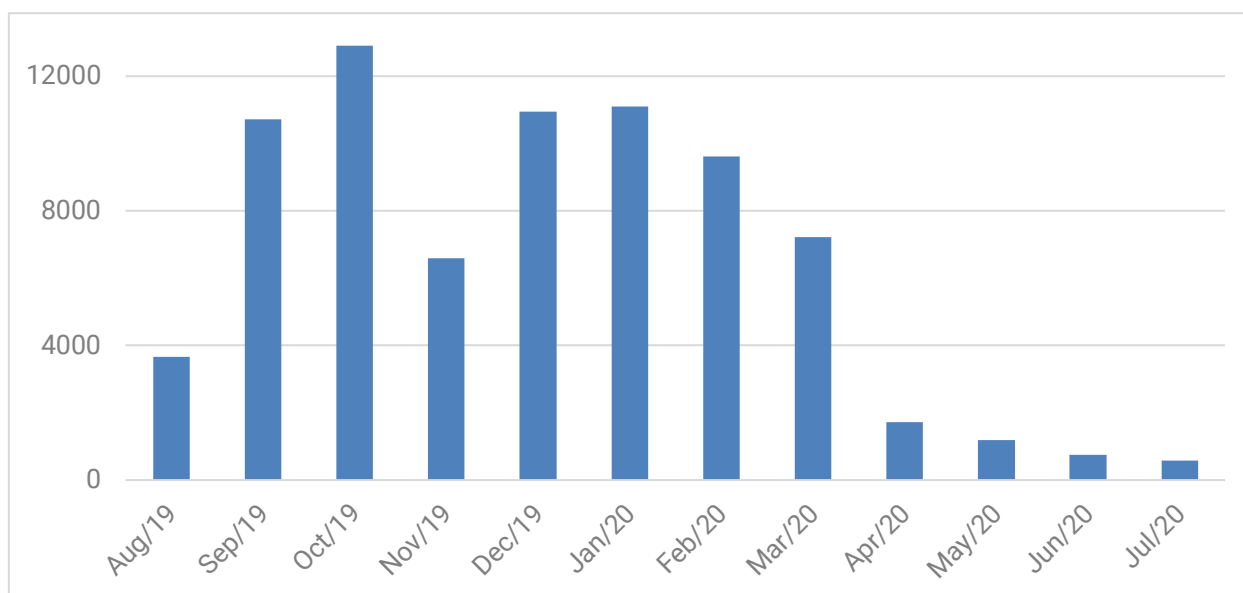
Number of registered migrants arriving in Yemen after crossing the Gulf of Aden from Djibouti or Somalia (Source: International Organization for Migration).

Forecast

Somalia and Yemen face their own challenges in the coming three to six months. This includes elections in Somalia, which have already led to an increase in activity by militant group al-Shabab to disrupt the process. In Yemen, the civil war is ongoing, despite negotiations taking place between all factions.

In both countries, these dynamics are just one factor contributing to the overall maritime security situation. Capabilities for patrolling and law enforcement are increasing slowly in Somalia, and international naval contributions for patrolling – particularly in the Gulf of Aden – are ongoing. Maritime crime, such as smuggling, will continue, driven particularly by conditions in Yemen. No particular changes are therefore forecast for the maritime security situation in the coming three to six months.

Persian Gulf / Gulf of Oman
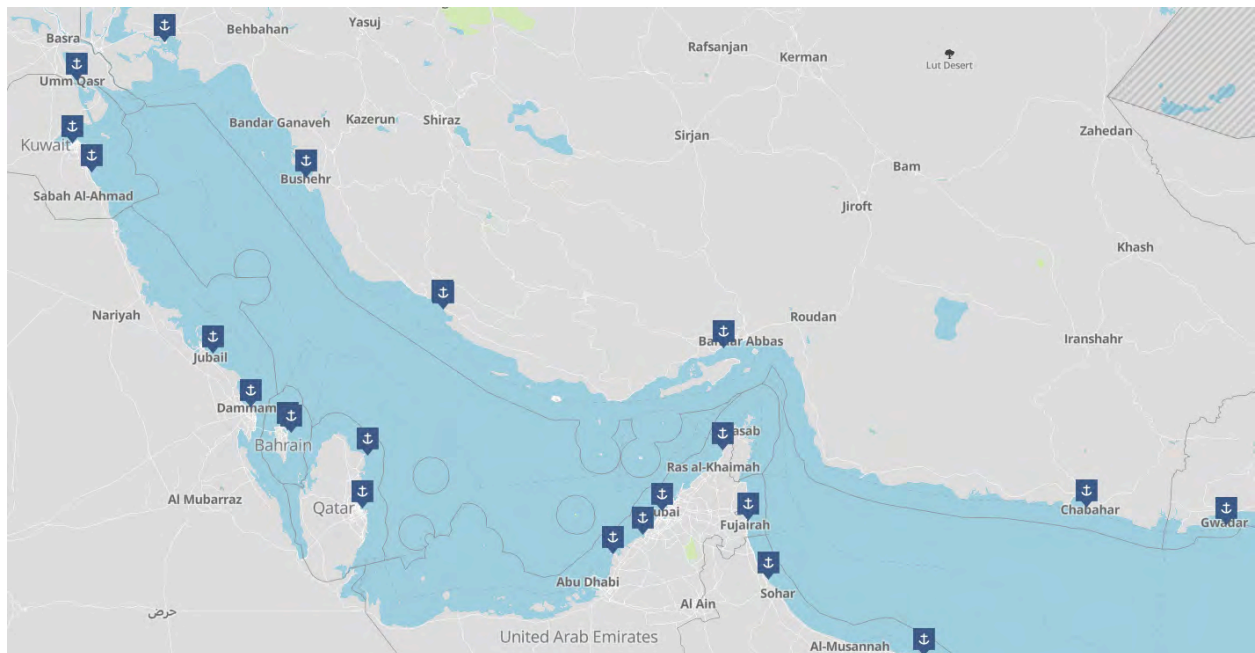
The Persian Gulf and the Gulf of Oman including ports covered on the Risk Intelligence System. Exclusive Economic Zones are indicated by dotted lines and territorial waters by solid lines. Some of these boundaries are disputed.

Current situation

Maritime security in this area is affected by Iran's generally aggressive posture in enforcing its maritime borders and interests, and its ability to scale up that posture to put pressure on the international community as part of its broader regional foreign policy goals. Iran has the ability to increase the threat to merchant traffic as a tool in its disputes with the US and regional countries such as Saudi Arabia and the UAE.

Any attacks against merchant vessels would likely be directed at oil related targets, such as tankers, and would be likely linked to a specific dispute – such as with a particular country – or in retaliation for action taken by others (such as the US) against Iranian interests. The recent US seizure of Iranian gasoline from four Greek tankers heading to Venezuela will keep tensions high but did not immediately result in retaliation by Iran.

Iran has the ability to increase the threat to merchant traffic as a tool in its disputes with the US and regional rivals such as Saudi Arabia or the UAE.

Over the last 12 months, some other incidents have been related to specific commercial and political issues, including interdictions of fuel smuggling vessels. Similar cases are not expected to affect most merchant ships in transit. Other measures include Iranian forces hailing vessels to determine crew and cargo details, or infrequent boardings and inspections. Such measures might take place unrelated to wider political developments as a means for Iran to demonstrate naval capabilities, particularly with the increase in tanker traffic over the last two months (see figures over).

Impacts of Covid-19

Covid-19 hit Iran hard and the country struggled in the first months of the pandemic to mount an effective government response. This will remain a challenge, with the government also dealing with a faltering economy, economic sanctions, and a volatile domestic political situation.

Despite these domestic challenges, Iran's government has regional foreign policy goals in Syria, Lebanon, Iraq and Yemen. It is also trying to manage ongoing tensions with the US and the current impasse in this relationship. It is assessed that Covid-19 may impact the overall security situation, but not specifically maritime security. The Iranian government, in its maritime posture in the region, balances several policy considerations and the domestic situation is just one of these.

At a glance
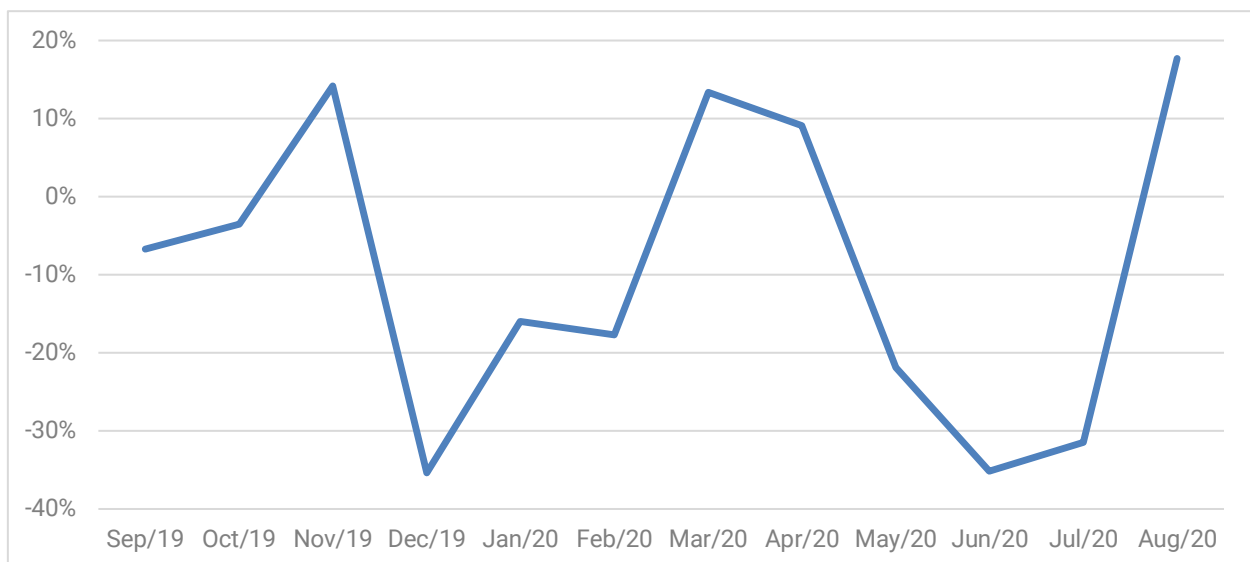
Year-on-year increase/decrease in the number of tanker vessels of all types present in the Persian Gulf and the Gulf of Oman, based on AIS data (Source: Lloyd's List Intelligence).

Forecast

In the coming three to six months, maritime security will continue to be affected primarily by Iranian operations. Putting pressure on the international community – or individual states – by threatening merchant vessel traffic is one option that Iran may consider. A significant escalation is not expected, although it cannot be ruled out if Iran chooses some response to recent US sanctions initiatives.

At the same time, there is still the potential for escalation in regional tensions with all parties balancing domestic and foreign policy considerations. With the US presidential election approaching, Iran may be content to wait for the outcome before reassessing its options.

Straits of Malacca and Singapore
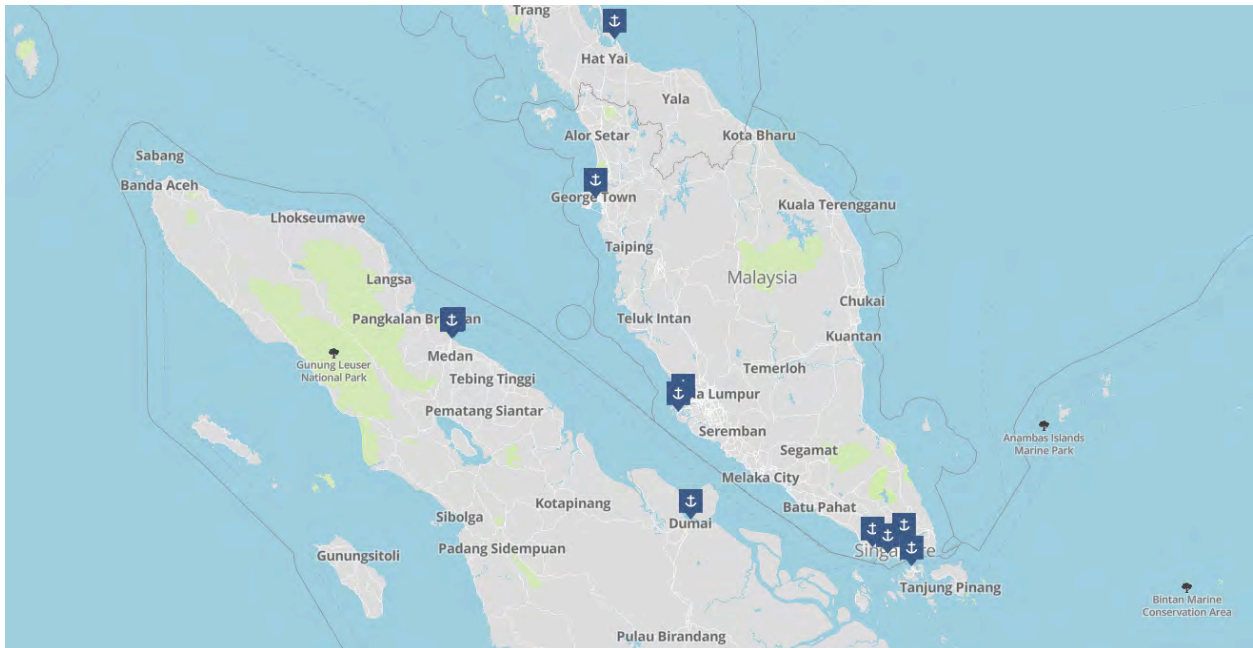
The Malacca Strait and the Singapore Strait including ports covered on the Risk Intelligence System. Exclusive Economic Zones are indicated by dotted lines and territorial waters by solid lines. Some of these boundaries are disputed.

Current situation

The main concern for maritime operations is the potential boarding of vessels in the Singapore Strait. Gangs based on the islands of Karimun, Batam and Bintan, many comprised of shipyard workers familiar with the layout of cargo vessels, are known to prowl the Singapore Strait in motorboats and to board vessels during hours of darkness, primarily tankers and bulk carriers. They usually seek to steal supplies, spare parts and equipment.

While most incidents are non-violent thefts, armed robberies also take place, and crew members have been injured on occasion. Boardings at anchorages of Indonesian ports along both straits are also possible and perpetrators usually target similar items.

> *Illicit activities regularly take place, yet the impact on merchant vessels in international trade is generally limited.*

Other illicit activities regularly take place, yet the impact on merchant vessels in international trade is generally limited. Smuggling of migrants and contraband between Thailand, Malaysia and Indonesia is seen in both straits. However, smugglers mostly use small boats and avoid commercial ports, preferring so-called mouse harbours. Several terrorist groups are also active in some of the littoral states. However, despite alleged plans to target merchant vessel, these groups have not orchestrated any actual attacks targeting the maritime sector to date. They are instead focusing on government and commercial targets on land, including places of worship.

Impacts of Covid-19

The impact of Covid-19 has not led to any immediate maritime security challenges in addition to those already present in the region. However, the economic impact of measures to curb the spread of Covid-19 – coupled with low oil prices – is likely to further increase unemployment levels and income equality. In the medium to long term, this will make it even more complicated for navies and law enforcement agencies to address existing criminal patterns, including boardings of vessels operating throughout the Straits of Malacca and Singapore. Maritime agencies are unlikely to receive significant additional funding as governments are generally likely to focus on stimulus packages and measures to strengthen social safety nets.

At a glance
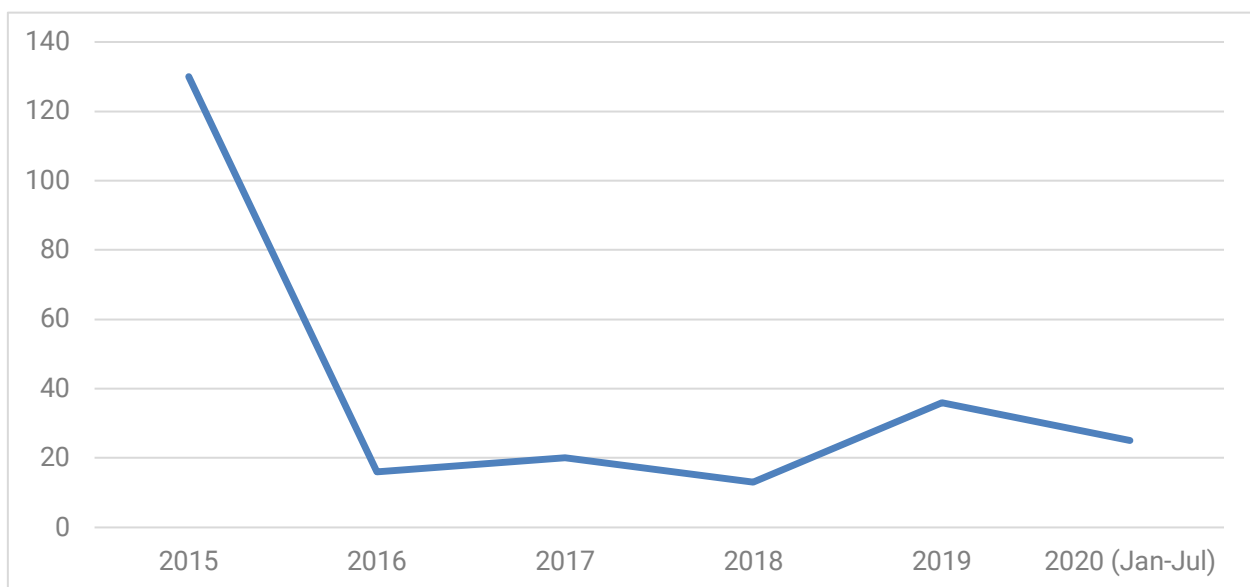
Number of maritime security incidents in the Singapore Strait between 2015 and 2020; figures for 2020 include incidents recorded from January to July. The recent uptick in incidents began already in 2019, yet crime levels remain significantly lower than in 2015 (Source: Risk Intelligence System).

Forecast

Over the next three to six months, deteriorating economic conditions and strains on government revenues are likely to cause an increase in overall crime rates, although these will vary widely between countries in the region. Rigorous law enforcement in Singapore combined with sufficient monetary reserves are expected to prevent a significant increase in crime.

The governments of Indonesia and Malaysia are known to provide cash handouts to struggling citizens, likely to prevent or at least contain large spikes in criminal activity. Furthermore, within this period the newly unemployed are not likely to target the maritime sector as an initial source of needs, as most will lack skills and knowledge to do so.

South China Sea
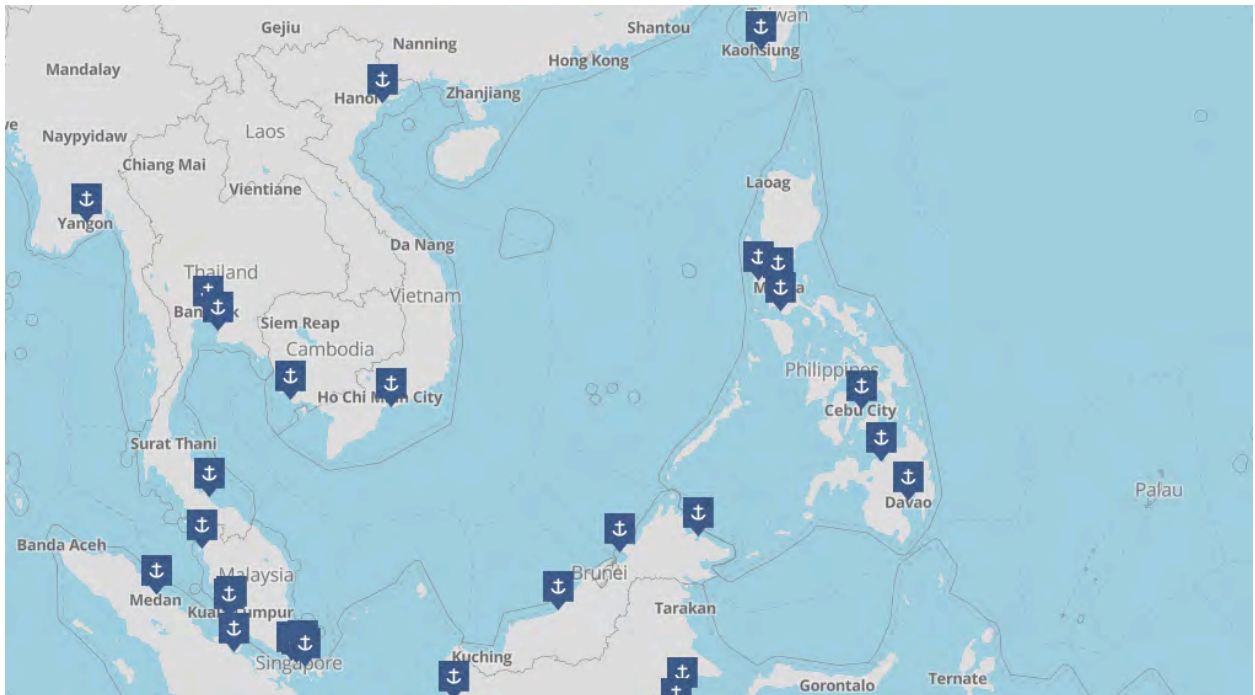
The South China Sea including ports covered on the Risk Intelligence System. Exclusive Economic Zones are indicated by dotted lines and territorial waters by solid lines. Some of these boundaries are disputed.

Current situation

The main concerns for commercial maritime operations in the South China Sea are thefts and armed robberies north of the eastern limit of the Singapore Strait as well as at the anchorages of Batangas, Manila and Vung Tau. The overall number of attacks is relatively low, and the majority of the successful incidents are thefts at anchorages, often without any confrontation with crew members. Bulk carriers, container ships and tankers are the most frequently targeted vessels as these ships are widely assumed to carry relatively valuable cargoes.

Despite the pandemic, China has continued to assert control over disputed areas in the South China Sea in recent months.

At the same time, and despite the pandemic, China has continued asserting control over the South China Sea by conducting patrols and forward deployments of its naval and air assets to the disputed Paracel Islands. While China's actions increase the risk of a military confrontation in the South China Sea, they are unlikely to have an immediate effect on merchant vessel operations. However, the political dynamics can potentially affect the security in the region as a whole.

Impacts of Covid-19

The impact of Covid-19 has not led to any immediate maritime security challenges in the region. However, the economic impact is likely to cause a decrease in economic growth or even recessions in all countries across the region. Income inequalities are therefore likely to widen further. In the long run, this may create more challenges for navies and law enforcement agencies to address existing criminal patterns, including boardings of vessels at anchorages in the South China Sea.

At the same time, other issues related to maritime security are often a more important concern for security agencies, highlighted by the figures below. Maritime agencies are nevertheless unlikely to receive significant additional funding as governments are redirecting more resources towards combating the pandemic.

At a glance
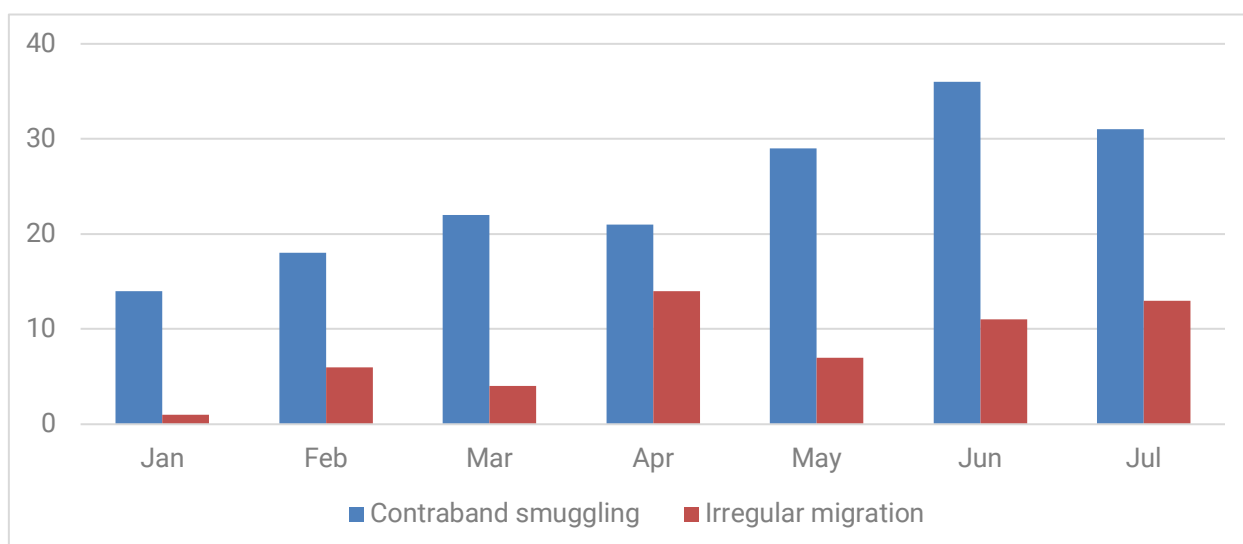
Number of interdictions of contraband smuggling and irregular human migration at sea in the IFC Area of Interest in 2020 (January to July) (Source: Information Fusion Centre).

Forecast

Over the next three to six months, it is unlikely that the current situation will lead to a significant increase in overall crime rates, including illicit activities in the maritime environment. There have been no indications of increasing numbers of demonstrations or attacks. However, thefts and armed robberies at anchorages are likely to continue to take place in the coming months, particularly at the Manila anchorage which accounts for more than half of the theft incidents in 2020 to date.

Military deployments in the northern areas of the South China Sea will likely further political tensions among regional countries but are not expected to have any immediate implications for commercial maritime traffic.

Summary

This whitepaper does not aim at providing a comprehensive analysis of different types of maritime security threats in various regions. Even a short look at the different forecasts, however, highlights that such threats will not be eradicated in the coming months. On the contrary, factors ranging from local law enforcement capacities to geopolitical developments must be considered. At the same time, these factors may change over time, often on very short notice – underlining the need for appropriate procedures, illustrated in the risk management cycle below.

Risk mitigation increases opportunities

By and large, shipping companies are individually unable to influence threats such as possible attacks against their vessels – unless they completely avoid threat areas. Constantly updated security procedures and contingency plans are therefore extremely important, as well as a good level of awareness about current events and how these impact certain types of threats.

In combination with specific vulnerabilities and potential consequences, companies are then able to identify and mitigate risks. Even though it is generally impossible to reduce the risk to zero, comprehensive mitigation measures often lead to additional business opportunities which involve taking 'understood' and 'calculated' risks. For example, ships are able to transit certain areas or call at specific ports when appropriate measures are in place.

The next emergency

The next global or regional emergency is unlikely to be yet another pandemic. Even if that were to be the case, there is no such thing as 'one size fits all' when it comes to contingency management. Contingency plans, regardless of what they look like, differ from one company to another, depending on factors such as threats, asset vulnerabilities, risk profiles and company policies. Furthermore, it is important to acknowledge differences in situational awareness, organisational knowledge, access to expert advice and the cost of mitigation measures.

In 2017, a Danish study including 225 public and private companies showed that only around 57% of these companies had a general contingency plan. Moreover, just 32% of the participating companies had empowered or trained individual stakeholders on crisis management, and only 35% had conducted crisis management exercises or tests.

Even though the study was relatively limited in numbers, it seems reasonable to conclude that even if plans exist, decisionmakers are often not trained or tested. For the maritime community, this translates into a critical outlook when it comes to crisis response efficiency. Merely having a plan in place does not guarantee a successful response to an emergency.

A Danish study found that only 57% of participating companies had a general contingency plan.

On the other hand, frequent trainings for the crisis management team and rehearsing the plan in different operational situations will reduce negative effects of a crisis. This will help to reduce costs, boost the company's reputation, and – in extreme cases – even save lives.

Fortunately, the study mentioned above also showed that 62% of the participating companies had evaluated previous crisis situations, trying to improve their existing preparedness. This number highlights that organisations are eager to learn. But what has to be in place to be better prepared next time?

Learning from a crisis requires a structured approach. Ideally, arrangements to capture the lessons identified from managing a crisis are already institutionalised and activated. If such mechanisms are not in place, now is the time to identify and implement.

Many companies are eager to learn, but what has to be in place to be better prepared next time?

The objective is simple. All information that either supported or contradicted the existing crisis response management must be collected and analysed in a systematic manner. During the evaluation, mistakes should be captured, assumptions disqualified, and successes underlined. This includes policies, plans, procedures, decisions, instructions, guidance or activities during the response phase, regardless of those being pre-planned or improvised during the crisis. The more detailed and comprehensive information is collected, the more value is added to improving the existing approach. Moreover, there is no need to make the evaluation process personal – no one makes intentional mistakes.

A list of contingency countermeasures, based on a Trigger Event Matrix, provides a good overview of plans and procedures.

#	Topic	If...	Then...	Status	Responsibility
• 1	• General information	• Covid-19 beyond China	• All staff informed regularly	• Acitvated	• HSSE/Comms
• 2	• Business travel	• Covid-19 beyond APAC	• All unnecessary travel cancelled	• Activated	• HR
• 3	• General hygiene	• Local authorities recommend	• Frequent hand washing during day	• Activated	• HSSE
• 4	• General hygiene	• If #3 activated	• No handshakes etc. in office	• Activated	• HSSE
• 5	• Work from home	• Covid-19 registered in specific country	• Prepare to work from home on short notice	• Under consideration	• Country MD

Example for a real Trigger Event Matrix based on various considerations during the early days of the Covid-19 pandemic.

Countermeasures may include adapting the organisation to strengthen crisis coordination and communication, training the Crisis Management Team, testing existing plans, attaining access to third-party advice, and support and identify alternatives to current procedures and activities.

Current travel restrictions and challenges regarding crew changes are a very good example. It would be relevant to seek information on those elements of existing procedures that did not work. In the next step, it should be investigated why they did not work. These elements include – among others – disembarkation/immigration procedures, transit from port to airport, or transit through third countries. Furthermore, for each element, e.g. transit from the ship to the airport, it should be investigated whether alternatives were identified and tried, and the result of those.

Even if existing procedures are a perfect fit during 'normal' times and cannot be changed overnight, consequences of a sudden crisis can still be limited to an extent. Moreover, knowing alternatives and understanding the pros and cons will increase flexibility and facilitate the response in a situation that is no longer normal.

The rationale for contingency management is to minimise the impact of a sudden, undesired incident. Through systematic analysis, careful planning and smooth execution, any organisation is able to reduce operational, economic, reputational and human consequences, even for incidents that were almost impossible to imagine. It can be summarised in four stages:

- Knowledge: companies – and people – can learn from success and mistakes;
- Plans: information for companies willing to improve their preparedness, response and evaluation activities is widely available.
- Practice: the better prepared and trained a contingency management team is, the better they will perform when they are needed most;
- Repeat.

Preparing for emergencies can be a purely internal project or conducted in cooperation with external partners. No matter what approach is identified within a company, the biggest mistake in any crisis would simply be not to act at all.

Additional services

The Risk Intelligence System provides users with direct access to real-time intelligence from desktop and bridge, that provides situational awareness and assists in avoidance of various types of security threats in areas of operational concern around the world.

We offer a free 30 day trial of the system with full access to the 24/7 Duty Watch Team.
To request a trial, go to: http://riskintelligence.eu/get-free-trial-risk-intelligence-system-now

Moreover, Risk Intelligence provides assistance to companies aiming to be better prepared for potential emergencies of all types. This includes bespoke products and services such as contingency or emergency planning to build efficient emergency setups, and contingency drills and exercises to train staff, internal workshops as well as risk management exercises to test internal procedures in a simulated emergency situation.

For Contingency Services, go to: http://riskintelligence.eu/bespoke-products

Finally, our Voyage Risk Assessments, or VRAs, can assist specific commercial shipping activities, making sure any risks are taken on the basis of informed decisions.

To book a VRA, contact us via: http://riskintelligence.eu/contact-us and we will assist you in minimising any impact on your commercial operation.