THE STATE OF MARITIME PIRACY 2017

ASSessing the Economic and Human Cost

REPORT
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AUDITOR’S STATEMENT

The OBP annual report on the state of maritime piracy is always eagerly anticipated, even though the statistics often contain the worrying real truths behind global piracy. The economical cost may be relatively straightforward to analyse but the human factor on seafarers affected by piracy is a more difficult consideration. This factor is always borne in mind when OBP correlates all its facts ensuring to include both the economic and human costs when collating piracy statistics.

BIMCO was once again invited to audit the annual report prior to publication, and to ensure the figures reflected in the report are truly accurate and not based on speculation. The methodical approach by OBP has been evident throughout the audit process and it is commended on its accuracy and wide-reaching analysis.

The facts are laid out for all to see – piracy has not gone away and the challenges for governments, industry and military partners continue. Utilising the information in this annual report backs up the need for the wider implementation of security measures, better maritime situational awareness and the importance of constant communication with our military forces at sea.

The problem of piracy is a global issue which requires collaborative efforts to reduce the impact this crime has on our industry. The 2017 annual report does not provide the necessary answers to solve piracy in itself, but it does graphically lay out the figures for all to see.

Thank you once again OBP for your continued efforts - it is now the turn of all the readers to act.

Angus Frew
BIMCO
Secretary General & CEO
EDITORIAL

GLOBAL PIRACY AND ARMED ROBBERY AT SEA 2017

Today over a million seafarers, on more than 50,000 merchant ships, transport more than 80 percent of global cargo trade to ports all over the world. These seamen and ships run a gauntlet of threats to reach their destinations - threats such as terrorism, local conflict, and piracy.

Understanding piracy and armed robbery of vessels is essential in reducing violence at sea. Quantifying the economic and human costs of piracy is important in comprehending the true impact of piracy and robbery at sea. The root cause of piracy is always related to conflict, political insecurity and the economic situation on land. For the most part, patterns in piracy are reoccurring, often dating back decades or even centuries.

In 2017 there was a slight reduction in incidents of piracy and robbery of vessels worldwide. This was reflected in most regions.

We have seen a downward trend in hijackings since 2014. In 2017 four hijackings were reported in Southeast Asia. There were recurrences of hijackings off Somalia in the first half of 2017 with four fishing dhows and a bunker tanker hijacked. However the success rate of these hijackings in terms of ransom payments was low due to the interception of pirate groups on land by local authorities; the implementation of Best Management Practices (BMP4) by crews; as well as the successful capture of pirates by naval forces.

In 2017 there was a spike in kidnappings of crew of vessels off the Nigerian coast. Kidnapping of crew off Malaysia and the Philippines by the Abu Sayyaf Group (ASG) and associates also continued in 2017. These were characterized by the brutal killing of hostages when ransom demands were not met. Military operations against the ASG in Sulu, Philippines, as well as trilateral maritime patrols have suppressed maritime kidnappings in this region. However the threat still remains.

The occurrence of piracy is often linked to the fishing industry. Illegal, unreported and unregulated (IUU) fishing devastates this sector in several countries, which leads to financial strain. Unemployed fishermen are also often recruited into piracy. There is a high incidence of attacks on and kidnapping of fishermen in areas such as Bangladesh and the Gulf of Guinea. These attacks often spill over to commercial vessels.

Naval forces and onboard security teams play a crucial role in the curbing of piracy. Piracy can be offset by security measures, but in the long run, denying safe havens to pirates by building capability of local security forces on land, as well as local support for these programs and the successful prosecuting of pirates are essential in defeating piracy.

Lydelle Joubert
Senior Maritime Piracy and Crime Analyst - Amahlo-Suritec
THE STATE OF MARITIME PIRACY 2017: INTRODUCTION

The 2017 State of Maritime Piracy report represents the latest findings in the eight years since Oceans Beyond Piracy began the series. As in previous years, the current series includes analyses of the economic and human costs of piracy and armed robbery in the Western Indian Ocean Region, West Africa, Asia, and Latin American and the Caribbean.

Due to the complex maritime environments of these geographic regions, the most recent iteration of the State of Maritime Piracy report highlights that maritime piracy and armed robbery at sea continue to impact a diverse array of stakeholders. Through its founding principles of transparent information-sharing and stakeholder-driven solutions, the 2017 State of Maritime Piracy report reiterates OBP’s belief that ending violence at sea is possible; continuing to identify and analyze the significance of these crimes is a vital step toward achieving this mission.

- Piracy events off the Horn of Africa doubled last year compared to the year before indicating that Somali criminal networks are still capable of sophisticated attacks.
- Overall incidents in the Latin America and Caribbean region increased by 160%, indicating the opportunistic nature of actors in the region.
- Piracy continues to pose a threat in the Gulf of Guinea despite a broad array of countermeasures implemented by coastal states and maritime security companies.
- Kidnap-for-ransom incidents in Asia decreased by 80%, in large part due to the effective cooperation by regional law enforcement actors.
SUSPICIOUS ACTIVITY
Incidents of suspicious activity include cases where a ship reports a close encounter or a direct approach from another ship which feels threatening in nature. The perceived threat is determined by the shipmaster based upon the actions of the approaching ship or from observation of weapons or ladders. Suspicious activity can include incidents when armed guards deterred an approaching ship that may not have displayed any overtly hostile actions.

FAILED ATTACK/BOARDING
Failed attacks and boardings refer to incidents in which actors were thwarted by self-protective actions taken by crew or embarked security teams.

ROBBERY
Robbery covers incidents where the perpetrators were reportedly unarmed and attempted to steal ship stores and/or crew belongings. This type of incident frequently occurs onboard ships that are at anchor or drifting close to a port or anchorage. These instances pose a minor threat to the crew.

ARMED ROBBERY
Armed robbery occurs when perpetrators are reportedly armed and attempt to steal ship stores and/or crew belongings. These incidents can occur on ships that are moving or anchored; both near the coast and at sea.

In West Africa, the intent of attackers may be to steal ship stores, equipment, or the crew’s personal effects, but failed hijackings or kidnap for ransom attacks may also lead to armed robberies. These instances involve larger groups of attackers who may be equipped with automatic weapons or, depending on the area, rocket-propelled grenades and heavy machine guns.

HIJACKING (FOR CARGO THEFT)
Hijacking for cargo theft is the most complex piracy model, requiring a coordinated effort and often the complicity of a variety of actors. Ships carrying petroleum products are targeted and attacked. Once the vessel is hijacked, the crew is often forced to navigate to a remote location where parts of the cargo are transferred to another ship or a storage facility on land. The stolen cargo is then sold on the black market or blended with legitimate refined products. This model is predominantly used in West Africa.

In Asia, these are incidents where perpetrators take control of a ship to steal its cargo. While not the primary impetus for the attack, this type of incident often involves theft of the crew’s belongings as well as ship stores and equipment. These hijackings also involve the most contact between pirates and crew, as the perpetrators must control the ship long enough to offload some or all the cargo. Typically, these attacks target ships carrying marine fuels, palm oil products, or other refined products. Hijacking for cargo theft is also more likely than robbery to occur in international waters and, as a result, be classified as piracy.

KIDNAPPING
Kidnap for ransom employed by Somali pirates is unique compared to models elsewhere in the world. These pirates often hijack a ship and steer it toward a coastline where they will hold the ship and crew captive for a long period of time—sometimes even years—until a ransom is paid. Somali pirates have also been known to use motherships to launch attacks farther out at sea. These attacks are more sophisticated and generally require a relatively large investment. Patrols by local and international actors have reduced the amount of coastline available for use as “safe havens” by groups who successfully hijack a ship. However, stretches of coastline which could be used to hold a ship for an extended period still remain.

In West Africa, perpetrators often board the ship with explicit intent to kidnap crewmembers, usually officers and engineers. Hostages are then taken to land, where they are held during the ransom negotiations. In contrast to hijackings of ships, these attacks are carried out quickly, making it very complicated for security forces to respond.

In Asia, kidnappings often involve incidents where the kidnapped crews are then taken to an undisclosed location on land while negotiations are carried out. This type of incident can be completed quickly, enabling the kidnappers to escape before any security response can intervene.
PIRACY AND ARMED ROBBERY AGAINST SHIPS IN EAST AFRICA 2017

MAIN MESSAGES:
- In total, almost double the number of incidents compared to 2016 were recorded, especially those of suspicious activity, failed attacks, and hijacking and kidnappings. The Horn of Africa experienced an increase in hijackings and kidnappings in the spring of 2017, which included the short-term detention of seafarers.
- Spillover from the political conflict in Yemen continued to affect the maritime space in the region, with a number of incidents occurring off the coast of Yemen. While these threats are expanding, shipping behavior has remained constant.
- Independent deployers represented the primary naval presence in the region, over coalition forces.
- The array of threats in this region makes clear the need for a comprehensive maritime security approach. The insecure environment allows piracy and other maritime crimes to thrive and continue unabated. The long-term solution for piracy includes the need for the establishment of a secure maritime space.

OVERVIEW: EAST AFRICA INCIDENTS

For 2017, OBP recorded a total of 54 incidents in the Western Indian Ocean Region, an increase of 100 percent from 2016. Accordingly, 2017 saw an increase in the number of seafarers affected by incidents of piracy and armed robbery at sea, from 545 in 2016 to 1,102 in 2017. For the first time in two years, OBP recorded incidents of hijacking and kidnapping at sea in the region. Suspicious activity continued to be the highest represented incident in the region in 2017. There was a significant increase from 13 recorded incidents in 2016, to 32 in 2017.

The short surge in hijacking attacks in the first quarter of 2017 has been attributed to several factors. These include the continued intent of pirate action groups to launch attacks and the opportunity to do so, due to lessened adherence to ship self-protection measures, including Best Management Practices (BMP). Independent deployers represented the primary naval presence in the region, but both coalition forces and independent deployers decreased days of operation, or days on station in the region, in 2017.

As in previous years, the capability and intent of pirate networks has not decreased, as was witnessed with the increased number of hijackings, including of the Aris 13, the Asayr 2, the and Al Kausar.
The Case of MT Aris 13

On 23 March 2017, the Aris 13, a Comoros-flagged merchant tanker en route to Mogadishu from Djibouti, was hijacked by Somali pirates approximately 18 kilometers off the northeastern coast of Somalia. This incident marks the first successful hijacking of a merchant ship in five years. The eight Sri Lankan crewmembers, who were taken to Caluula, a coastal town in Somalia’s Puntland region, were released without a ransom payment after three days in captivity. The ship was successfully attacked for a number of reasons: it was preparing to cut through the Socotra Gap, near the Somali coast; it had a low freeboard of three meters; and it was moving slowly, at a speed of only five knots. Additional ships were subsequently attacked in the region in the following weeks, including the dhows Asayr 2 and Al Kausar.

Although the attacks on the Aris 13 and other ships demonstrated pirate activity not often seen in recent years, OBP does not believe that this suggests the reemergence of large-scale piracy in the Horn of Africa. Such activity continues to reinforce the need for vessels to adhere to industry Best Management Practices (BMP).
**EAST AFRICA: NATIONALITIES**

This graphic represents the 115 known nationalities of the 209 seafarers exposed to piracy and armed robbery at sea in 2017 as reported to the International Maritime Bureau (IMB).

**EAST AFRICA: HOSTAGES IN 2017**

The crew of FV Siraj have been held hostage since 26 March 2015. The March 2017 hijacking of the Aris 13 represents the first hijacking of a merchant ship by Somali pirates since the height of piracy in the region in 2012. Due to the efforts of the Puntland Maritime Police Force (PMPF), the crew was released after three days. The Asayr 2, a dhow, was hijacked several days after the Aris 13 attack. A week after the incident involving the Asayr 2, the dhow Al Kausar was hijacked and the crew was held for 12 days before they were released.

**HOSTAGES: NUMBER OF DAYS IN CAPTIVITY BY VESSEL**

<table>
<thead>
<tr>
<th>Ship Name</th>
<th>Hostages</th>
<th># Days in Captivity *</th>
</tr>
</thead>
<tbody>
<tr>
<td>Siraj</td>
<td>1</td>
<td>365</td>
</tr>
<tr>
<td>Aris 13</td>
<td>8</td>
<td>3</td>
</tr>
<tr>
<td>Asayr 2</td>
<td>7</td>
<td>3</td>
</tr>
<tr>
<td>Al Kausar</td>
<td>10</td>
<td>12</td>
</tr>
</tbody>
</table>

* The number shown in these graphics only represent days held in 2017.
EAST AFRICA ECONOMIC COST

$1.4 BILLION TOTAL ECONOMIC COST

EAST AFRICA: COST OF INTERNATIONAL NAVAL ACTIVITIES

DAYS ON STATION: COALITION FORCES VS INDEPENDENT DEPLOYERS

<table>
<thead>
<tr>
<th>Forces</th>
<th>2016 Days on Station</th>
<th>2017 Days on Station</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coalition Forces</td>
<td>2402</td>
<td>1239</td>
</tr>
<tr>
<td>Independent Deployers</td>
<td>2657</td>
<td>2588</td>
</tr>
</tbody>
</table>

Days on Station refers to the number of days ships are in operation. This is calculated on a ship-by-ship basis to ensure accuracy. Days on station refers only to naval ships operating as part of a coalition force (CTF-151, Operation Atalanta), or as an independent deployer (Russia, India, China, et al.). The cost of International Naval Activities was calculated using the following considerations: cost of coalition force costs (naval operations, aerial operations, and administrative budgets) and naval and aerial operations by independent deployers operating in the region; the total amounting to $199,357,575. OBP’s calculation also included $344,962, attributed to the organization of Shared Awareness and De-Confliction (SHADE) conferences.

EAST AFRICA: COST OF VESSEL PROTECTION DETACHMENTS

Vessel protection detachments are teams of soldiers that protect certain merchant ships while they transit the High Risk Area (HRA). Most vessel protection detachments are contracted by the World Food Programme; the European Union Naval Force ATALANTA (EU NAVFOR) also provides vessel protection detachments to the African Union Mission to Somalia (AMISOM).

EAST AFRICA: COST OF SHIP PROTECTION MEASURES (SPMS)

Since the release of the first version of Best Management Practices (BMP) in 2009, the recommendations for ship hardening have been refined and expanded upon in updated editions. OBP assumes that existing ships operating in the region have already been outfitted with ship protection measures prior to this year. Therefore, OBP’s estimated cost for SPM’s for 2017 is $6.8 million.

EAST AFRICA: THE COST OF EMBARKED CONTRACTED MARITIME SECURITY

For 2017, the average monthly usage rate for Privately Contracted Armed Security Personnel (PCASP) was 25.1 percent. This marked a 13 percent drop in usage of PCASP over the last 3 years (Usage rates at the beginning of 2015 where recorded at around 38 percent). Based on these usage rates, OBP estimates the cost of Embarked Contracted Maritime Security at $292,463,537 for 2017.
The End of NATO’s Operation Ocean Shield

The increase in piracy observed in 2017 can be attributed, at least in part, to fewer assets on patrol, or the perception of a decrease in the coalition force presence, due to the ending of the North Atlantic Treaty Organisation’s (NATO) Operation Ocean Shield. However, during its seven years in operation, NATO’s Task Force 508 was considerably smaller than either of the other two operating in the region, numbering usually three to four ships, compared to ten or more. In 2016, Operation Ocean Shield had two ships assigned which spent 91 days on patrol; Combined Task Force 151 had over 1,000 and EU NAVFOR had 1,756 patrol days.

EAST AFRICA: COST OF INCREASED SPEED

OBP did not record any statistically significant increase in the number of vessels speeding through the HRA. Rather, the roughly 42 percent increase in speeding costs over 2016 was largely due to rising fuel prices throughout 2017. The cost of increased speeding in 2017 was $758,707,277.

EAST AFRICA: COST OF REROUTING

OBP did not find any statistically significant rerouting in 2017. As in past reports, OBP found that most vessels are adhering to the International Recommended Transit Corridor (IRTC), as instructed in the Best Management Practices (BMP), instead of taking a shorter route, such as cutting the Socotra Gap. Traffic appears to have returned to pre-piracy shipping pattern, as was the trend in 2015 and 2016, despite threats posed by conflict spillover in Yemen.

EAST AFRICA: COST OF PROSECUTION AND IMPRISONMENT

OBP’s calculations for prosecution and imprisonment related to acts of piracy and armed robbery in East Africa spanned four regions. In total, the cost of prosecution and imprisonment in 2017 is estimated at $6,240,434.40.
**EAST AFRICA: PROSECUTION AND IMPRISONMENT REGIONAL COST BREAKDOWN**

<table>
<thead>
<tr>
<th>Region</th>
<th>Pirate Trials</th>
<th>Average Cost per Trial</th>
<th>Total Trial Cost</th>
<th>Pirates Imprisoned</th>
<th>Cost per Year of Imprisonment</th>
<th>Total Imprisonment Cost</th>
<th>Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>AFRICA (LESS KENYA, SEYCHELLES, AND MAURITIUS)</strong></td>
<td>0</td>
<td>$228</td>
<td>0</td>
<td>608</td>
<td>10</td>
<td>$443,840</td>
<td>$443,840</td>
</tr>
<tr>
<td><strong>ASIA</strong></td>
<td>4</td>
<td>$7,314</td>
<td>29,256</td>
<td>236</td>
<td>$376</td>
<td>$117,876</td>
<td>$117,876</td>
</tr>
<tr>
<td><strong>EUROPE AND JAPAN</strong></td>
<td>0</td>
<td>97</td>
<td>0</td>
<td>97</td>
<td>$47,794</td>
<td>$4,635,797</td>
<td>$4,635,797</td>
</tr>
<tr>
<td><strong>NORTH AMERICA</strong></td>
<td>1</td>
<td>$307,355</td>
<td>26</td>
<td>28,284</td>
<td>$28,284</td>
<td>$735,384</td>
<td>$735,384</td>
</tr>
<tr>
<td><strong>TOTAL COST</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$5,079,327</td>
</tr>
</tbody>
</table>

**EAST AFRICA: COST OF LABOR**

**COST OF LABOR BREAKDOWN**

<table>
<thead>
<tr>
<th>Labor Type</th>
<th>Cost for 2016</th>
<th>Cost for 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>IBF HRA</td>
<td>$66 million</td>
<td>$78 million</td>
</tr>
<tr>
<td>Captivity Pay</td>
<td>$564,000</td>
<td>$71,000</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>$66,564,000</td>
<td>$78,071,000</td>
</tr>
</tbody>
</table>

In addition to the mental, physical, and emotional toll that hostages and their families experience, they also endure a significant financial burden. Most seafarers come from developing nations, where their entire household often subsists on their earnings. Using the Maritime Labour Convention-mandated minimum wage of $23 a day, the 8 remaining crewmembers of Siraj lost $67,000 in expected income in 2017 alone, bringing the total loss since their initial capture to $310,000.

Due to increased personal risk from piracy threats, several collective bargaining agreements developed through the International Bargaining Forum (IBF), International Transport Workers’ Federation (ITF), and national seafarers’ unions have identified specific areas within which seafarers are entitled to additional pay.

**EAST AFRICA: COST OF INSURANCE**

Assuming that the Western Indian Ocean Listed Region (WIOR) accounted for 50 percent of all War Risk Area ³ premiums in 2017 and that the change in net premiums from 2016 was negative 30 percent, the additional premiums paid by ships transiting the WIOR Listed Area totaled around $41.6 million.

A significant number of ship operators take out kidnap and ransom (K&R) insurance as additional protection for the ship’s crew. OBP estimates that in 2017, approximately 12 percent of all ships transiting the HRA bought K&R insurance at a total cost of nine million dollars.

Piracy may also result in higher cargo insurance premiums. A comprehensive estimate of piracy-related costs is impossible, but the trajectory of costs can be determined based on a comparison of the risk scores assigned by the Joint Cargo Committee from year
to year. Risk scores spiked in the Gulf of Aden due to a rise in incidents of piracy and other emerging regional threats. Over the course of 2017, the risk score rose from an elevated threat level of 2.4 to a high level of 2.8. However, there was a consistent upturn in risk over the latter half of 2017, and Somalia ended the year with a 3.9. Based on these risk scores, cargo insurance costs in the WIOR can be assumed to be within historical norms.

**EAST AFRICA: COST OF STOLEN GOODS**

**COST OF STOLEN GOODS BREAKDOWN**

<table>
<thead>
<tr>
<th>ITEM STOLEN</th>
<th>COST FOR 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ship Stores and Equipment</td>
<td>$84,375</td>
</tr>
<tr>
<td>Personal Effects</td>
<td>$0</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$84,375</strong></td>
</tr>
</tbody>
</table>

1. Crew nationalities were not specified in each reported incident. This number, therefore, only includes incidents where nationalities and number of seafarers are known.

2. Costs calculated in this table only include those which could be ascertained by Oceans Beyond Piracy. Consequently, some organizations have been included here, but their budgets have not been included. This does not mean that these organizations have ceased operations or have not allocated capital towards counter-piracy initiatives.

3. The War Risk Area is defined by the Joint War Committee. More detail about the listed areas can be found at http://www.lmalloyds.com/lma/jointwar.
PIRACY AND ARMED ROBBERY AGAINST SHIPS IN WEST AFRICA 2017

MAIN MESSAGES:

- The number of piracy incidents in 2017 stayed at essentially the same elevated level as in 2016.
- There were more successful kidnappings in 2017 than in 2016, with more seafarers being held captive for longer than one day (90 seafarers versus 56 in 2016.)
- Overall, the waters of the Gulf of Guinea remain a dangerous hotbed of pirate activity.

OVERVIEW: WEST AFRICA INCIDENTS

2017 saw an increase in incidents of armed robbery in the region from 2016. Although the numbers of seafarers affected were slightly down, there were three more successful kidnappings in 2017 than in 2016. One hundred seafarers were taken hostage, 90 of whom were held for longer than one day and at least two of whom were killed, representing a significant increase in the level of violence.

2016’s geographic patterns were seen again in 2017, with the overwhelming majority of attacks happening off the Niger Delta. No attacks were recorded south of the Equator. In what may be a new trend, a series of attacks took place on anchored ships in ports along the western coast of Africa, from Sierra Leone to Cape Verde.

Regional navies continued to enhance their enforcement capabilities through the acquisition of new naval assets, more multinational exercises, and further development of the Yaoundé Process-based information sharing architecture. This is reflected in an increase in the patrol days recorded for regional navies and a 27 percent increased rate of responses to attack incidents by maritime enforcement agencies. In only one incident did naval forces arrive on the scene in time to prevent the attackers from getting away with hostages or goods. This was also the only incident to result in the arrest of attackers in 2017. Alleged pirates arrested in connection with 2016’s MT Maximus incident were arraigned in November of 2017. However, without a specific piracy law on Nigeria’s books, charges were limited to related charges, demonstrating that legal frameworks must still be strengthened to support the legal finish.
WEST AFRICA INCIDENT BREAKDOWN

**TOTAL INCIDENTS OF PIRACY/ROBBERY (2015 - 2017)**

- [54] 2015
- [95] 2016
- [97] 2017

**PIRACY/ROBBERY INCIDENTS BY TYPE (2017)**

- [42] Failed Attack
- [21] Kidnapping
- [18] Suspicious Activity
- [8] Armed Robbery
- [7] Robbery
- [1] Hijacking (for cargo theft)

**PIRACY/ROBBERY INCIDENTS BY LOCATION (2017)**

- [53] International
- [38] Territorial
- [6] Riverine

**PIRACY/ROBBERY INCIDENTS BY VESSEL TYPE (2017)**

- [24] Tanker
- [12] Bulk Carrier
- [9] Container
- [8] Cargo
- [6] Offshore Supply Vessel
- [3] Tug
- [8] Other
- [27] Unknown

**PIRACY/ROBBERY INCIDENTS BY VESSEL MOVEMENT (2017)**

- [64] Steaming
- [30] Anchored
- [3] Drifting
The number of seafarers affected by piracy and armed robbery in 2017 decreased slightly from 2016. In total, 1,726 seafarers were affected by piracy and armed robbery in 2017 in West African waters, compared to 1,921 in 2016.

WEST AFRICA: CREW HELD HOSTAGE
- 100 Seafarers taken hostage (including riverine incidents)
- Hostages kept for one day or less: 10
- Hostages held for more than one day and confirmed as released: 48 (Duration of captivity in these instances ranged from seven to 26 days)
- Hostages not confirmed as released: 42 – As of this writing, of the total of 100 seafarers held hostage in 2017, the release of 42 seafarers has yet to be confirmed.

WEST AFRICA: KNOWN NATIONALITIES of Seafarers Exposed to Piracy/Armed Robbery Incidents

WEST AFRICA: SEAFARERS KNOWN NATIONALITIES
This graphic represents the known nationalities of 463 of the 702 total seafarers confirmed as exposed to piracy and armed robbery at sea in 2017. The nationalities of the other 239 are unverified.
**WEST AFRICA ECONOMIC COST**

**WEST AFRICA**

$818.1 MILLION

**TOTAL ECONOMIC COST**

**WEST AFRICA: COST OF NAVAL ACTIVITIES**

**NAVAL ACTIVITY COST BREAKDOWN**

<table>
<thead>
<tr>
<th>TYPE OF SECURITY</th>
<th>COST PER VISIT</th>
<th>ANNUAL COST</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regional Naval Activities</td>
<td>$33,033,003</td>
<td></td>
</tr>
<tr>
<td>International Naval Activities</td>
<td>$34,932,402</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL COST</strong></td>
<td>$67,965,405</td>
<td></td>
</tr>
</tbody>
</table>

**WEST AFRICA: COST OF CONTRACTED SECURITY**

**CONTRACTED SECURITY COST BREAKDOWN**

<table>
<thead>
<tr>
<th>TYPE OF SECURITY</th>
<th>COST PER VISIT</th>
<th>ANNUAL COST</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coastal State Embarked Personnel</td>
<td>$213,728,969</td>
<td></td>
</tr>
<tr>
<td>State Affiliated Escorts</td>
<td>$9,360,008</td>
<td></td>
</tr>
<tr>
<td>Private Patrols</td>
<td>$134,907,892</td>
<td></td>
</tr>
<tr>
<td>West Africa Secure Zones</td>
<td>$9,339,000</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL COST</strong></td>
<td>$367,335,861</td>
<td></td>
</tr>
</tbody>
</table>

Ghana, Togo, Benin, and Nigeria have each established “secure zones” near major ports. These are clearly demarcated areas where ships can safely anchor to wait for a berth or conduct ship-to-ship (STS) cargo transfers. In Nigeria, private companies provide the ships, maintenance, logistics, and perform all scheduling and billing of clients. The armed forces supply the security personnel and weaponry. In Ghana, the Ports & Harbour Authority is responsible for providing security patrols. In Benin and Togo, the navies are responsible for patrols. OBP estimates that operating these zones cost $9.3 million in 2017.

**WEST AFRICA SECURE ZONE COST BREAKDOWN**

<table>
<thead>
<tr>
<th>COUNTRY</th>
<th>ZONE</th>
<th>ANNUAL VISITS</th>
<th>COST PER VISIT</th>
<th>ANNUAL COST</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nigeria</td>
<td>Secure Anchorage Area</td>
<td>636</td>
<td>$10,500</td>
<td>$6,678,000</td>
</tr>
<tr>
<td>Nigeria</td>
<td>STS Zone</td>
<td>887</td>
<td>$3,000</td>
<td>$2,661,000</td>
</tr>
<tr>
<td>Benin</td>
<td>Secure Zones</td>
<td>792</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Togo</td>
<td>Secure Zones</td>
<td>2,265</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Ghana</td>
<td>STS Zone and Anchorage Area</td>
<td>3,077</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td>7,657</td>
<td></td>
<td>$9,339,000</td>
</tr>
</tbody>
</table>
The Case of Port of Cotonou

In the 2016 State of Piracy report, OBP highlighted the trend for at-anchor robberies off major ports. That trend continued in 2017 and expanded along the length of the West African coast, with incidents in Freetown, Conakry, and Praia. However, there have recently been a new series at-anchor attacks. On three separate occasions in the first two months of 2018, ships in the Cotonou Secure Anchorage area were violently attacked within sight of the port captain’s tower and in an area patrolled by the Benin Navy. Two of the targeted vessels disappeared, in one case for a full week, before owners could make arrangements for their release. In the third case, a firefight between attackers and embarked Benin Navy security personnel ensued, in which two Beninese sailors were wounded.

Over the past few years, Port of Cotonou has grown significantly because of several factors, including overall growth in African maritime trade and the perceived danger of sailing in Nigerian waters. In 2017, Cotonou handled 30 percent more cargo than in 2012 and twice as much than in 2007. As port traffic has increased, ships are spending longer at anchor waiting for a berth, making them more vulnerable to attack. These recent attacks show that pirates are following the merchant traffic and moving their operations to where easy targets can be found.

WEST AFRICA: COST OF INFO SHARING AND COORDINATION CENTERS

OBP estimates the cost of information sharing and coordination centers in West Africa to be $2,928,105. The following centers were included in our calculation:

<table>
<thead>
<tr>
<th>REGIONAL COORDINATION CENTRE FOR MARITIME SECURITY IN CENTRAL AFRICA (CRESMAC)</th>
<th>INTER-REGIONAL COORDINATION CENTRE (ICC)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Description:</strong> Implemented through the Economic Community of Central African States</td>
<td><strong>Description:</strong> Implementation of the Regional Strategy for Maritime Safety and Security in Central and West Africa. Based in Yaoundé, Cameroon.</td>
</tr>
<tr>
<td><strong>Cost:</strong> $1,598,105</td>
<td><strong>Cost:</strong> $1,000,000</td>
</tr>
<tr>
<td><strong>Notes:</strong> Cresmacpointenoire.org</td>
<td><strong>Notes:</strong> Estimate based on budgeted numbers.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>REGIONAL MARITIME RESCUE COORDINATION CENTERS (RMRCC)</th>
<th>MARINE DOMAIN AWARENESS FOR TRADE - GULF OF GUINEA (MDAT-GOG)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Description:</strong> RMRCs are operated in Monrovia and Lagos.</td>
<td><strong>Description:</strong> Operates out of Brest, France, and Portsmouth, England.</td>
</tr>
<tr>
<td><strong>Cost:</strong> $330,000</td>
<td><strong>Cost:</strong> N/A</td>
</tr>
<tr>
<td><strong>Notes:</strong> RMRCs are estimated at two-thirds the annual cost of the Maritime Trade Information Sharing Centre - Gulf of Guinea (MTISC-GoG). MTISC-GoG ceased operations in June of 2016; if it had continued operating the 2017 budget would have been roughly $500,000.</td>
<td><strong>Notes:</strong> No available information about the operational budget of MDAT-GOG could be ascertained by Oceans Beyond Piracy. This does not suggest that the organization is not engaged in counter-piracy operations.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ZONE E CENTER</th>
<th>ZONE D CENTER</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Description:</strong> Operates in Cotonou, Benin. Maritime Zone includes Togo, Benin, and Nigeria.</td>
<td><strong>Description:</strong> Operates in Douala, Cameroon. Maritime Zone includes Cameroon, Equatorial Guinea, Gabon, and Sao Tome and Principe.</td>
</tr>
<tr>
<td><strong>Cost:</strong> N/A</td>
<td><strong>Cost:</strong> N/A</td>
</tr>
<tr>
<td><strong>Notes:</strong> No available information about the operational budget of the Zone E could be ascertained by Oceans Beyond Piracy. This does not suggest that the organization is not engaged in counter-piracy operations.</td>
<td><strong>Notes:</strong> No available information about the operational budget of the Zone D could be ascertained by Oceans Beyond Piracy. This does not suggest that the organization is not engaged in counter-piracy operations.</td>
</tr>
</tbody>
</table>
WEST AFRICA: COST OF SHIP PROTECTION MEASURES

Active security measures, such as embarked contracted security teams and use of patrol ships, are only available within territorial waters or in designated areas. They are intended to supplement other ship protection measures. Each ship operator is responsible for conducting a ship-specific risk assessment to determine the appropriate SPMs.

Expenditures are primarily limited to refitting worn or damaged kits and equipping ships new to the region. OBP estimates the cost of SPMs to be $3,974,576.00.

WEST AFRICA: COST OF COUNTER-PIRACY ORGANIZATIONS

COST OF COUNTER-PIRACY ORGANIZATIONS BREAKDOWN

<table>
<thead>
<tr>
<th>COUNTER-PIRACY ORGANIZATION</th>
<th>COST</th>
</tr>
</thead>
<tbody>
<tr>
<td>EU Maritime Transport Support</td>
<td>$1,878,801</td>
</tr>
<tr>
<td>EU Gulf of Guinea Inter-regional Network (GOGIN)</td>
<td>$2,620,929</td>
</tr>
<tr>
<td>OBP West Africa</td>
<td>$161,392</td>
</tr>
<tr>
<td>INTERPOL West Africa Police Information System (WAPIS)</td>
<td>$2,818,203</td>
</tr>
<tr>
<td>NIMASA</td>
<td>$217,800,000</td>
</tr>
<tr>
<td>TOTAL COST</td>
<td>$225,279,325</td>
</tr>
</tbody>
</table>

COST OF STOLEN GOODS

COST OF STOLEN GOODS BREAKDOWN

<table>
<thead>
<tr>
<th>ITEM STOLEN</th>
<th>COST</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ship Stores and Equipment</td>
<td>$270,000</td>
</tr>
<tr>
<td>Personal Effects</td>
<td>$142,675</td>
</tr>
<tr>
<td>TOTAL COST</td>
<td>$412,675</td>
</tr>
</tbody>
</table>

WEST AFRICA: COST OF LABOR

As a result of increased personal risk due to the threat of piracy and armed robbery, several collective bargaining agreements developed through the International Bargaining Forum (IBF), the International Transport Workers’ Federation (ITF), and various national seafarers’ unions have identified areas within which seafarers are entitled to additional pay. According to OBP, seafarers transiting the IBF’s Gulf of Guinea High Risk Area (HRA) in 2017 were entitled to $111 million in additional pay, compared to $114 million in 2016.

In the event that seafarers are kidnapped and held hostage, seafarers are entitled to captivity pay. This pay is estimated using the Maritime Labour Convention’s minimum wage of $23 per day. In 2017, the 100 seafarers affected by kidnapping in the Gulf of Guinea were held between two and three weeks. They were entitled to $40,000 in captivity pay as a result. However, it is impossible to track whether the money seafarers were entitled to was actually paid.

COST OF LABOR BREAKDOWN

<table>
<thead>
<tr>
<th>TYPE OF EXPENSE</th>
<th>COST FOR 2016</th>
<th>COST FOR 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>IBF HRA</td>
<td>$114 million</td>
<td>$111 million</td>
</tr>
<tr>
<td>Captivity Pay</td>
<td>$57,000</td>
<td>$40,000</td>
</tr>
</tbody>
</table>
WEST AFRICA: COST OF INSURANCE

Assuming that the Gulf of Guinea accounted for 15 percent of all War Risk Area Premiums in 2017, and that the change in net premiums was negative five percent, the total cost of additional premiums incurred by ships transiting the Gulf of Guinea Listed Area in 2017 was $18.5 million.

In addition to war risk insurance premiums, a number of ship operators take out K&R insurance as additional protection for their ship’s crew. OBP estimates that in 2017 approximately 35 percent of all ships transiting the Gulf of Guinea Listed Area carried this insurance, at a cost totaling $20.7 million.

The threat of piracy may lead to increased cargo insurance premiums. While a comprehensive estimate of the piracy-related costs is impossible, it can be determined whether the costs associated with this type of insurance were higher or lower than in the previous year based on the risk score assigned to the region by the Joint Cargo Committee (JCC) Cargo Watchlist. In 2017, the risk score for the Gulf of Guinea remained classified as “high” and Nigeria continued to have the highest risk score of all littoral states. Overall, the JCC Cargo Watchlist risk scores for the Gulf of Guinea remained in the same range as last year, indicating no major change in the cost of insurance.

1. Crew nationalities were not specified in each reported incident. This number, therefore, only includes incidents where nationalities and number of seafarers are known.

2. The cost of Regional Naval Activities is an average based on an estimated cost range of $30,842,377 to $35,223,628

3. State affiliated escorts: Several companies operate escort ships in cooperation with the Nigerian Navy. In general, the escort ships are owned and operated by a private company, but the Nigerian Navy provides a portion of the operational crew. The Nigeria emphasizes that their naval detachment is solely responsible for the handling of weapons and operational command.

4. The cost of Private Patrols is an average based on an estimated cost range of $125,961,303 to $143,854,482

5. The War Risk Area is defined by the Joint War Committee. More detail about the listed areas can be found at http://www.lmalloyds.com/lma/jointwar

6. An average based on an estimated range of $17 million to $20 million.
PIRACY AND ARMED ROBBERY AGAINST SHIPS IN ASIA 2017

MAIN MESSAGES:

- Ninety-nine incidents occurred in Asia during 2017. This represents a 23 percent decrease in overall incidents from 2016, and a 51 percent decrease from 2015.
- Only three incidents of hijacking for cargo theft were recorded during 2017. Kidnapping declined significantly from 22 incidents recorded in 2016 to just four incidents in 2017.
- The sharp decrease in overall incidents can be attributed, at least in part, to the actions of local law enforcement and military actors. In total, regional law enforcement responded to 27 of the 99 incidents—a high response rate of 27 percent.

OVERVIEW: INCIDENTS IN ASIA

In 2017, Oceans Beyond Piracy documented 99 incidents of piracy and armed robbery in Asia. For the purposes of this report, OBP defines the Asia region as the area from the eastern coast of India to the Banda Sea in Indonesia. Incidents occurring on the west coast of India have been included in the Western Indian Ocean region of the report.
ASIA INCIDENT BREAKDOWN

### TOTAL INCIDENTS OF PIRACY/ROBBERY (2014 - 2017)

- 2014: [185]
- 2015: [199]
- 2016: [129]
- 2017: [99]

### PIRACY/ROBBERY INCIDENTS BY VESSEL TYPE (2017)

- **99 TOTAL INCIDENTS**
  - [34] Tanker
  - [25] Bulk Carrier
  - [13] Container
  - [5] Barge and Tug
  - [22] Other

### PIRACY/ROBBERY INCIDENTS BY LOCATION (2017)

- **99 TOTAL INCIDENTS**
  - [87] Territorial
  - [12] International

### PIRACY/ROBBERY INCIDENTS BY TYPE (2017)

- [32] Robbery
- [29] Failed Attack/Boarding
- [23] Armed Robbery
- [8] Suspicious Activity
- [3] Hijacking (for Cargo Theft)

### PIRACY/ROBBERY INCIDENTS BY VESSEL MOVEMENT (2017)

- **99 TOTAL INCIDENTS**
  - [62] At Anchor
  - [34] Steaming
  - [2] Drifting
  - [1] Unknown
ASIA HUMAN COST

In 2017, 1,908 seafarers were affected by piracy and armed robbery in Asia, signifying a decrease from the previous year. Incident types in which the number of seafarers affected decreased from 2016 to 2017 include robbery, failed boarding and attacks, kidnapping, and suspicious activity.

In 2017, 16 people from four separate incidents were held hostage in Asia. All four of the incidents took place in the Sulu-Celebes Sea region.

Nineteen incidents involved weapons. A total of 76 seafarers were threatened during kidnapping incidents, including one incident where attackers boarded a tug after firing at the vessel. In another incident, two crewmembers were wounded after attackers fired at the cabin doors.

- Hostages kept for one day or less: 1
- Hostages held for more than one day and confirmed as released: 9 (Duration of captivity in these instances ranged from four to 264 days)
- Hostages not confirmed as released: 3
- Hostages who died in captivity: 3

This graphic represents the known nationalities of 661 seafarers exposed to piracy and armed robbery at sea in 2017 as reported to IMB. The nationalities of the remaining 490 are unverified.
ASIA ECONOMIC COST

As with previous State of Piracy reports, Oceans Beyond Piracy did not calculate a total economic cost for piracy and armed robbery in Asia. While certain figures are included because they could be ascertained, some figures could not be calculated or reasonably estimated due to information constraints. The following table represents only the costs which could be ascertained by OBP.

### ASIA: ECONOMIC COSTS 2017 (LIMITED)

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost (USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Malaysian Maritime Enforcement Agency (MMEA)</td>
<td>$23,138,010</td>
</tr>
<tr>
<td>Stolen Ship Stores, Crew Belongings, and Cargo</td>
<td>$6,320,920</td>
</tr>
<tr>
<td>The Regional Cooperation Agreement on Combating Piracy and Armed Robbery against Ships in Asia (ReCAAP) Budget</td>
<td>$2,256,228</td>
</tr>
<tr>
<td>Lost Wages</td>
<td>$173,006</td>
</tr>
</tbody>
</table>

Source: ReCAAP Annual Report 2017

ASIA: THE ISSUE OF KIDNAPPING INCIDENTS

In 2016, OBP recorded an alarming increase in kidnapping in the Sulu-Celebes Sea. In 2017, the incidents in this region decreased significantly, likely due to Abu Sayyaf and affiliated armed militants refocusing their efforts on the siege of Marawi City, as well as increased patrols and security measures taken by littoral states and industry. In response to the kidnappings in 2016 and the movement of armed militants throughout the region the following measures were implemented:

**TRILATERAL PATROLS**

Since the establishment of the 2016 Sulu Sea Patrol Initiative (also known as INDOMALPHI), Malaysia, Indonesia, and the Philippines have been engaged in joint patrols to curb abductions and prevent the movement of armed militants in the region. The three countries have also established trilateral air patrols, which were launched in October 2017. Since then, nations such as Singapore, Japan, and Australia have offered to either join the regional patrols or aid local actors. These three nations have also established Maritime Command Centers in Bongao, Tawau, and Tarakan.

LOCATION OF ASIA MARITIME COMMAND CENTERS

Source: ReCAAP Annual Report 2017
COASTAL STATE EMBARKED PERSONNEL

To help protect ships transiting the Moro Gulf, the Philippine Coast Guard deployed 16 sea marshals in Central Visayas to escort six commercial ships each month between Mindanao and Cebu. The average cost per embarkation for a four-day roundtrip in the Philippines is between $13,000 and $15,000, with an added $400-$500 for every additional day that the transit takes.

SECURITY GUARD TRANSFER POINTS AND SHIPPING ROUTES

Recapture of Marawi City

On 23 May 2017, armed militants led by leaders of the Abu Sayyaf and Maute groups refocused their efforts on land and took over the city of Marawi in the southern Philippines. The Philippine armed forces engaged the militants and, with the support of regional and international actors, eventually freed the city on 23 October 2017.

REGIONAL GUIDE TO COUNTER PIRACY AND ARMED ROBBERY AGAINST SHIPS IN ASIA

Over the past year, ReCAAP, Oil Companies International Marine Forum (OCIMF), and a host of other organizations published the Regional Guide to Counter Piracy and Armed Robbery Against Ships in Asia. The purpose of the report is to assist companies, owners, masters, agents, and seafarers in avoiding, deterring, and delaying piracy and armed robbery incidents in Asia.

RECOMMENDED TRANSIT CORRIDORS

In 2017, the three signatories of the Trilateral Cooperative Arrangement (Indonesia, Malaysia, and the Philippines) established a ship reporting system and a recommended transit corridor (RTC) between the Moro Gulf and Basilan Strait, as well as in the Sibutu passage, to ensure the safe passage of commercial traffic. The three countries also published emergency guidance and protocols for ships transiting the RTC.
1. Note: Oceans Beyond Piracy did not count incidents occurring in port.

2. Crew nationalities were not specified in each reported incident and therefore, this number only includes incidents where nationalities and number of seafarers are known.


4. http://www.recaap.org/resources/ck/files/reports/2018/01/ReCAAP%20ISC%20...

5. https://news.mb.com.ph/2018/03/11/pcg-sea-marshals-deployed-aboard-ships... OBP has also obtained evidence that private companies have established memoranda of understanding with Indonesia, the Philippines, and Malaysia that allow them to provide armed protection in the form of government forces, specifically coastal state embarked personnel. https://www.linkedin.com/pulse/se-asia-maritime-security-solutions-lee-r...


PIRACY AND ARMED ROBBERY AGAINST SHIPS IN LATIN AMERICA AND THE CARIBBEAN 2017

MAIN MESSAGES:

- In 2017, Oceans Beyond Piracy recorded 71 incidents, a 163 percent increase over 2016.
- Anchorage crime against yachts continues as the most pressing issue. Incidents involving yachts made up roughly 59 percent of all cases.
- Anchorages in Venezuela, Saint Vincent and the Grenadines, Colombia, and St. Lucia represented incident hotspots in Latin America and the Caribbean during 2017.

OVERVIEW: INCIDENTS IN LATIN AMERICA AND THE CARIBBEAN

In 2017, Oceans Beyond Piracy recorded 71 incidents in Latin America and the Caribbean. Most incidents in the region occurred in territorial waters, with anchored yachts being the primary targets for attackers.
LATIN AMERICA & THE CARIBBEAN HUMAN COST

In 2017, 854 seafarers were affected by piracy and armed robbery in Latin America and the Caribbean; an increase from 527 impacted seafarers in 2016. A significant increase was observed in failed boardings and attacks, as well as robberies.
As with last year’s State of Maritime Piracy report, OBP did not calculate a total economic cost for piracy and armed robbery in Latin America and the Caribbean. However, OBP did calculate the value of stolen ship stores and crew belongings. Ship stores were stolen in 41 incidents and crew belongings were reported stolen on 18 occasions in 2017. In total, roughly $949,000 dollars’ worth of goods were stolen in 2017.

### LATIN AMERICA AND THE CARIBBEAN: COST OF STOLEN GOODS

<table>
<thead>
<tr>
<th>ITEM STOLEN</th>
<th>COST</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ship Stores and Equipment</td>
<td>$691,875</td>
</tr>
<tr>
<td>Personal Effects</td>
<td>$256,815</td>
</tr>
<tr>
<td><strong>TOTAL COST</strong></td>
<td><strong>$948,690</strong></td>
</tr>
</tbody>
</table>

1. Crew nationalities were not specified in each reported incident. This number, therefore, only includes incidents where nationalities and number of seafarers are known.