



C.I.A.N.A.M.

*Cámara Interamericana de Asociaciones Nacionales
de Agentes Marítimos*

NEWSLETTER Nº 7

April 16th and 17th, 2015 XI Annual Meeting Panama City - Panama

The Panama Maritime Chamber shall organize the XII Annual Meeting of the Cámara Interamericana de Asociaciones Nacionales de Agentes Marítimos (CIANAM) that will take place in Panama City, Republic of Panama, on April 16th and 17th, 2014. The Presidency of this Chamber is in charge of Engineer Juan Carlos Croston. Delegations from National Associations from Argentina, Brazil, Chile, Ecuador, United States of America, Mexico, Panama, Paraguay, Peru and Uruguay will be present at this event.

During the development of the Meeting, issues related to the institutional activity of CIANAM, port and maritime transport situations, simplification of the activity and all the efforts made in training and quality management in order to reach the best goals of operation and efficiency shall be dealt with.



President of the Panama Maritime Chamber with members of the Board of Directors

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Asociación Mexicana de Agentes Navieros (AMANAC) Fonasba Quality Standard Certification

La Asociación Nacional de Agentes Navieros A.C. (AMANAC) obtuvo el 3 de marzo pasado la certificación de Fonasba Quality Estándar (FQS) de la Federación de Asociaciones Nacionales de Agentes Navieros

(FONASBA, por sus siglas en inglés), como parte de su estrategia de profesionalización y en la búsqueda de brindar mayor certeza jurídica con amplio reconocimiento en los servicios que ofrecen. Este evento se vio engalanado por la asistencia de autoridades, prensa y socios de la AMANAC.



En palabras del Presidente de la AMANAC y CIANAM el Lic. Francisco Orozco, “Es un orgullo para nosotros anunciarles que la AMANAC obtuvo la

certificación de la Norma de Calidad de FONASBA. FONASBA ha ayudado a asegurar que las actividades, responsabilidades y obligaciones de los agentes estarán sujetas a controles, al proporcionar a la industria marítima una norma de calidad ejecutable y practicable, esto ayuda a garantizar la protección de sus intereses.

Esta acreditación obtenida por AMANAC, es un paso muy importante entre las labores necesarias para profesionalizar nuestro sector, por lo que a partir de esta fecha nos daremos a la tarea de realizar una campaña entre nuestros asociados para que cumplan con el programa Fonasba Quality Standard y se certifiquen. Los armadores y operadores, tanto nacionales como extranjeros, podrán ser identificados fácilmente como agentes navieros que mantienen altos estándares en sus operaciones, sus controles financieros y su compromiso con la educación y la formación, los cuales son vitales para garantizar los intereses de sus representados y que se sientan protegidos en todo momento.



FONASBA y AMANAC ahora tienen el compromiso de implementar en México un estándar de calidad que es robusto, exigible, práctico y sobre todo en relación directa con las actividades, responsabilidades y obligaciones de sus agremiados”.

Con esta certificación la AMANAC busca dar a sus socios el reconocimiento internacional que ampare la



confiabilidad y calidad en sus servicios.

Agentes Marítimos serão agraciados com a Ordem do Mérito do Transporte Brasileiro

Os Agentes Marítimos Eclésio da Silva e Victor Manuel Simões Pinto serão agraciados com a Ordem do Mérito Nacional do Transporte / Medalha JK, no Grau Oficial. A cerimônia de outorga dessa importante Comenda será realizada no dia 11 de março, 4ª feira, a partir das 18h, no Edifício CNT, em Brasília.

Criada em 1.991, a Ordem do Mérito do Transporte Brasileiro é uma concessão da CNT – Confederação Nacional do Transporte, destinada a homenagear pessoas físicas ou jurídicas que se destaquem pela prestação de serviços relevantes ao setor de transportes, em qualquer de suas modalidades. A Ordem tem como Patrono o ex-Presidente da República, Juscelino Kubitscheck de Oliveira, e é o símbolo maior do reconhecimento dos transportadores brasileiros àqueles que doaram talentos, competências e esforços pessoais pela melhoria do transporte no Brasil.

“Estamos orgullosos por mais uma vez o valor do Agenciamento Marítimo, e de seus mais dignos representantes, estar sendo publicamente reconhecido nas pessoas dos ilustres companheiros de jornada Eclésio da Silva e Victor Manuel Simões Pinto, personalidades de indiscutível importância nacional” – destaca o Presidente da FENAMAR – Federação Nacional das Agências de Navegação Marítima, Waldemar Rocha Júnior.

Com longos históricos de relevantes serviços prestados à Categoria Econômica do Agenciamento Marítimo e dos transportes, Eclésio da Silva atualmente é Vice-Presidente da FENAMAR e Presidente do SINDASC – Sindicato das Agências de Navegação Marítima do Estado de Santa Catarina; Victor Manuel Simões Pinto, ex-Presidente do SINDAPAR – Sindicato das Agências de Navegação Marítima do Estado do Paraná, é Membro do Conselho Consultivo da Federação.

No endereço eletrônico <http://www.fenamar.com.br> a FENAMAR disponibiliza relação de todos os Agentes Marítimos brasileiros agraciados com a Ordem do Mérito do Transporte Brasileiro / Medalha JK.

CAMAE celebrated its 30 year anniversary

La Cámara Marítima del Ecuador (CAMAE), conmemoró su Trigésimo Aniversario en el salón Galápagos del Hotel Oro Verde, el jueves 5 de marzo.

Durante la ceremonia que contó con la presencia del Ing. José Chamorro, Subsecretario de Puertos, Transporte Marítimo y Fluvial (SPTMF); del Calm. Fernando Noboa, Director Nacional de Espacios Acuáticos (DIRNEA); del Capitán de Puertos, Pablo Ron; el Ing. Juan Jurado, Presidente de CAMAE, se refirió a la situación actual del sistema portuario nacional.



“Seguimos viendo crecer la eslora, manga y calado de las naves y aportamos en la búsqueda de las soluciones adecuadas a nuestra realidad nacional para enfrentar las demandas de infraestructura portuaria, logística y talento humano de apoyo a un comercio internacional cada día más orientado hacia economías de escala”, indicó Jurado.

En el marco del evento por los 30 años de fundación, el Ing. Jurado, y el Econ. Emilio Aguiar, Vicepresidente de CAMAE, impusieron las condecoraciones en el Grado de Gran Oficial a cuatro Ex Presidentes y cuatro Fundadores de la Institución, por haber aportado con su visión al desarrollo portuario, naviero y marítimo. Así mismo se condecoró en el grado de Oficial al Señor Wilfred Meinslschmidt por ser el pionero del perfeccionamiento técnico y profesional del talento humano en el sector naviero, y al



Contralmirante Carlos Vallejo Game, por motivar estrechas relaciones entre CAMAE y sectores vinculados al comercio exterior.

Los titulares de la Institución, también entregaron una placa de reconocimiento a funcionarios de CAMAE, por su valioso aporte durante más de 15 años de servicio.

ASBA's Landmark Agent Certification celebrated 10 Years Member Ship Agents: TESTED --- TRUSTED --- CERTIFIED

In a recent survey conducted by the Association of Ship Brokers & Agents (USA) Inc. (ASBA), maritime principals ranked the criteria deemed most important in their decision to appoint a ship's agent.

- Fiscally responsible agency company
- Trained boarding agents
- Past experience with the ship agent and the agent's experience with the cargo and vessel type



ASBA's Agent Member Certification renewed annually, specifically addresses these criteria. This month ASBA celebrates 10 years of its Agent Member Certification. However, in order to describe what it means to be ASBA certified – what, exactly, is an agent, and what does an agent do?

Except for the pilot, the first and last person to board or depart during every ship's port call is the ship's agent. The agent is like a control tower for a ship's port call, coordinating local scheduling and logistics with the key players – the owner, charterer, shipper, receiver, terminal, and, of course, the ship.

The agent dispatches the local services necessary for a successful port call by arranging pilotage, towage, and customs entry and clearance, while navigating deftly through the myriad national and local regulatory requirements involving the ship, her cargo and crew. Beyond the commercial operation there is an often an extensive list of husbanding requirements that includes coordination of ship's stores and spare parts as well as crew changes, crew medical, and service technicians.

An agent's job is to (safely and economically) expedite the vessel's port call. Understanding the impact of high daily operating costs of ships and marine terminals, the pressures of berth congestion, and contract deadlines for loading and unloading cargoes contributes positively to the success of a voyage. Solid rapport and good standing within the local marine community is critical. The agent stands in the shoes of his, or her, principal, protecting their interest at a specified port.

FISCAL RESPONSIBILITY

ASBA member agents must retain an external Certified Public Accountant to complete a procedural review in order to attest in writing to ASBA that the member maintains separate files by principal and that all financial transactions are properly supported by invoices and receipts that tie back to their general ledger. **FISCALLY SOUND ACCOUNTING PRACTICES** should be a key component of the principals risk management strategy.

TRAINED

Certified Agent Members must maintain a well trained staff that is service oriented and armed with knowledge to make necessary decisions on behalf of their principals. All member boarding agents and their managers must successfully complete a comprehensive exam administered by ASBA.

ASBA provides a variety of maritime courses and seminars on shipbroking, chartering, and agency to meet the needs of members for initial training and ongoing education. Other courses offered by ASBA include maritime law, marine insurance, and commercial trade transactions. ASBA's Annual Cargo Conference has become the must attend maritime event in the USA and provides member agents with another avenue to expand their industry knowledge. Panelists include charterers, owners, and operators that share their thoughts on the hot topics of the year as well as their views on the market and trends in shipping.

EXPERIENCED - ASBA's thirty member agents handled approximately 43,000 vessel calls in the USA and Canada in 2013. Of this total, 14,000 were dry bulk and break bulk vessels. Based on our calculations, ASBA Certified Agents have represented close to 65% of the dry and wet bulk vessels calling US ports that year. In terms of experience, these statistics tell a clear story.

ASBA was formed in 1934. Members use the Association to address issues affecting their companies and principals on a national level as well to advocate for quality. ASBA's landmark member certification was embraced by its international counterpart, the Federation of National Associations of Ship Brokers & Agents (FONASBA) in 2007 and is now known as the FONASBA Quality Standard. Owner's organizations, BIMCO, INTERTANKO, and INTERCARGO, recognized the value of promoting "quality" in the appointment of ship agents when they endorsed the Quality Standard.

As a best practice that supports operational excellence and risk mitigation, ASBA encourages all vessel charterers, owners, and operators to nominate and appoint ASBA Certified Agents at USA and Canada ports whenever possible.

Asociación Mexicana de Agentes Navieros (AMANAC) Integrated Transport Workshop

La Asociación Mexicana de Agentes Navieros, A.C. (AMANAC) dio inicio sus cursos de capacitación. En el primer semestre se impartirá el "Taller de Transporte Integrado" donde el instructor es el Lic. Francisco Kassian Diaz, personaje muy reconocido en México por su trayectoria de más de 42 años en el transporte marítimo. Dicho Taller tendrá una duración de 60 horas, estará dividido en tres módulos y se desarrollara en los meses de marzo, abril y mayo.



A su vez en el mes de mayo se realizara el curso "Teórico – Práctico al puerto de Veracruz", y será dirigido por el Sr. José Cristian Bennett Lira, ex Presidente de AMANAC, en la visita al puerto los participantes conocerán de primera fuente las funciones y responsabilidades de los actores del comercio marítimo.

Para cerrar el primer semestre el Lic. Juan Carlos Merodio López, Socio-Director de la firma M&L Estudio Legal y Presidente de la Fundación México - País Marítimo, impartirá el curso de "Avería Gruesa".

Con estos cursos AMANAC se ratifica, como un ente capacitador y fomenta la profesionalización de los actores del transporte marítimo.



Preliminary data for 2014: world container trade and throughput; continuing decline in the dynamism of Latin America and the Caribbean

Seaborne world trade

In 2014, world seaborne trade, measured by movements of full TEU, increased by 4 % in comparison with 2013, showing the growth of 3.4% in intercontinental trade and of 5.4% in regional trade. It is important to note that the intra Asia movements are the most determining factors of this result.

Within the world trade flows, exports increased by 3.4 % with the highest growth rate in the Middle East and the Indian subcontinent, whose exports grew by 7.9 %. In comparison, the exports from Latin America and the Caribbean increased only by 3.1%. As far as imports are concerned, the LAC region showed the most significant deficit with the decrease by 4.2%, while the world imports rose by 3.4% with, once again, the highest increase in the Middle East and India sub continent, where imports grew by 9.0%.

Finally, the trade balance in units, i.e. exports minus imports, was positive only for the Middle East region, while the trade deficit increased in the rest of the world.

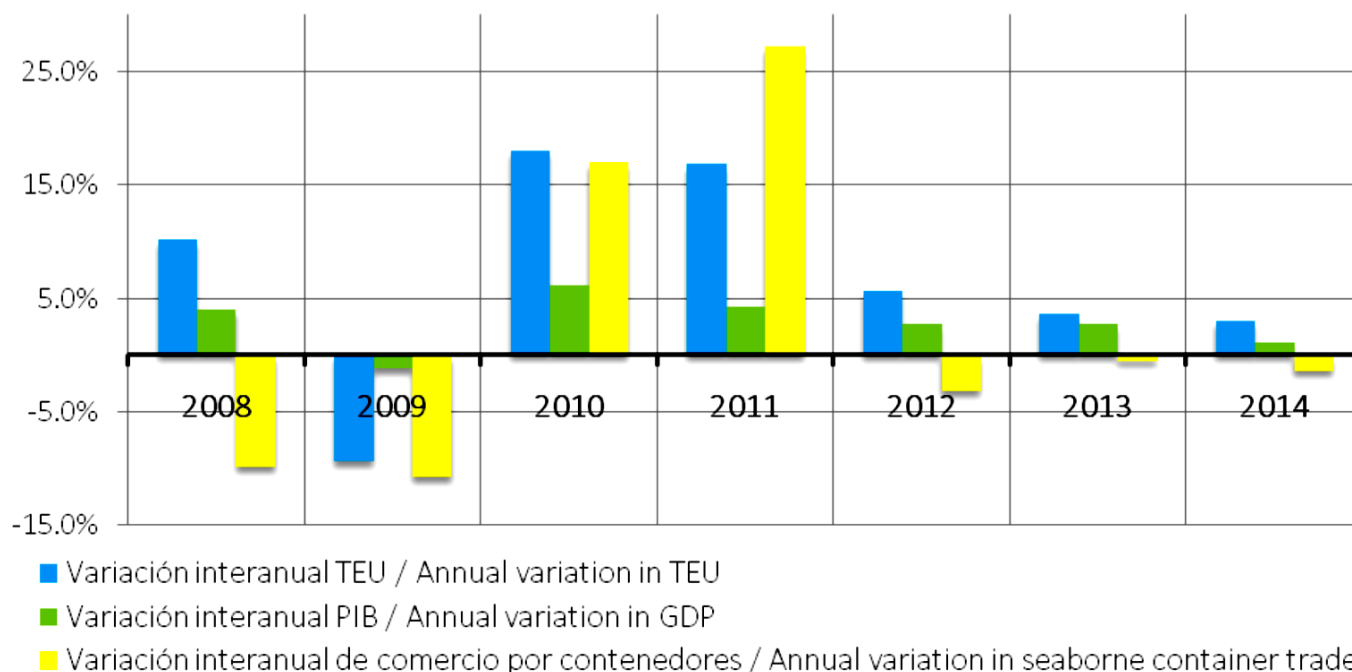
Port throughput in Latin America and the Caribbean

According to preliminary data from a sample of 70% of total port movements in the region, Latin America and the Caribbean experienced a 3% growth in container movement during 2014 in comparison with the previous year. In 2013, the increase was 3.6% for the same sample, which points to a further decrease in the regional dynamism, already on a steady decline since 2010.

Main data (all preliminary), that support the conclusion above, can be summarized as follows:

- Argentina: port movements decreased by 12%,
- Brazil: port movements grew by 7%,
- Chile: port movements grew 0.3%. This low growth is largely explained by a sharp decline (9%) in the port of San Antonio, one of the largest ports in the country;
- Colombia: port movements increased by 7.1%, showing a recovery since 2013, the year when it experienced a significant drop. The main recovery occurred in the Caribbean, caused by increase in transshipment operations;
- Mexico: port movements increased by 3.2%;
- Panama: port movements increased by 3.2%, largely influenced by transshipment;
- Peru: port movements increased by 8.6%;
- Uruguay: port movements increased by 6.2%, largely due to the decrease in the regional trade.

The figure below illustrates the behaviour of maritime trade volumes, expressed in thousands of TEU transferred in the region between 2008 and 2014, and compares it with the annual variation in GDP (gross domestic product) and in port throughput over the same period. The graph shows a steady decline of these three indicators from 2010 onwards, when the GDP, the throughput and maritime trade started to converge. The GDP had a variation of 1.1% and trade volumes (including imports and exports of the region) decreased by 1.4% between 2013 and 2014.



Source: **Boletín Marítimo y Logístico N° 56**

Six predictions for container shipping in 2015

The pressures and opportunities that will shape another year of change

Expect ships to get bigger in 2015 even as overcapacity persists, and this will also have implications for port congestion too. Freight rate volatility shows no sign of changing on the major trade lanes.

1. Overcapacity

The global containership industry has been blighted by overcapacity over the last few years and the problem looks set to continue in 2015.

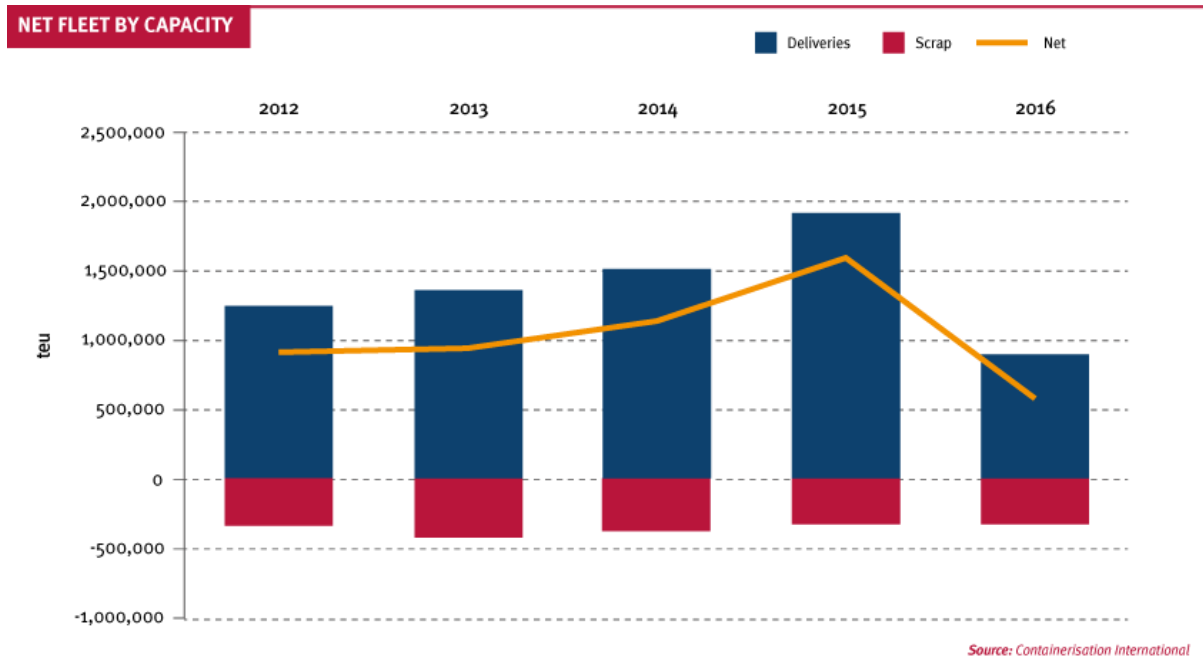
According to Lloyd's List Intelligence, more than 1.9m teu is set to be added to the global container fleet next year.



This represents an increase in the total container fleet of 10% and many of these vessels will be in the larger size categories. Some of this increase may be offset by scrapping activity, but deletions are unlikely to exceed the record levels recorded in 2013 when 2.7% of the fleet was sent to the breakers' yards.

This year a further 2.3% of the containership fleet was scrapped. Next year, we expect a further slowdown in scrapping activity with 2% of the fleet projected to be sent to the breakers.

All this means overall net fleet growth for 2015 will come in at 8.8%, exceeding demand growth of an estimated 6%-7% and heightening the overcapacity situation. But there is one bright light at the end of this very long tunnel; only 900,500 teu is due to be delivered in 2016, representing fleet growth of 4.5%. Scrapping is likely to drag this figure down further and demand growth is likely to be around the 7% mark once again, analysts say. This should improve supply-demand equilibrium in 2016.



2. Consolidation

The container shipping industry has been crying out for consolidation as overcapacity and high fuel costs have conspired to cause the vast majority of carriers to report losses.

Consolidation among the bigger players is difficult to achieve because of the high level of state ownership and the complexity of bringing two of the largest shipping lines together.

That said, deals are being done; Hapag-Lloyd and CSAV, Hamburg Süd and CCNI, CMA CGM and OPDR and Horizon Lines and Matson are the major deals announced in 2014.

Next year the larger players may prefer to utilise alliances rather than take up acquisition opportunities, but there are still opportunities with regional specialists and compelling reasons to pursue them.

For example, improving economic forecasts is creating more confidence; multinational shippers now require global shipping operations to access the growing middle class in developing and emerging economies; and investment institutions are examining investment opportunities.

3. Congestion

Congestion, backlogs and bottlenecks have been the subject of much concern throughout 2014 at ports across the globe.

Industry commentators placed the blame firmly on bigger ships and the larger volumes of cargo being passed across the docks in one chunk.

However, with vessel upsizing set to continue throughout next year, not just on the major trades, but also on the regional and smaller trades due to cascading, congestion and delays at ports are not going away any time soon.

4. Rates

There is little sign that freight-rate volatility will change on the major trade lanes in 2015 with no indication as yet that lines will change their marketing or sales ploys.

With bigger vessels coming on stream, lines will be under pressure to make sure slots are filled and external factors such as congestion, sulphur surcharges and seasonal demand will mean that lines will look to general rate increases to drive box prices.

5. Ship sizes

Expect containership capacities to continue to head upwards, with the 20,000 teu mark surpassed as lines strive for economies of scale and lower slot costs.

There are no immediate technical barriers to larger ships, most experts predicting that boxship sizes have further to go before port and land-side infrastructure constraints put a ceiling on slot capacity.

That is likely to be around the 24,000 teu.

The largest ship today is the 19,224 teu *MSC Oscar*, which will enter service in late January, overtaking China Shipping's 19,100 teu *CSCL Globe* and Maersk's 18,270 teu Triple-Es.



A number of lines now have 18,000 teu-class ships on order, but these can easily be modified to a theoretical 20,000 teu, so some of this size may already be under construction.

Meanwhile G6 members MOL and Hapag-Lloyd are both very close to ordering what could be the first official 20,000 teu ships, with others probably not far behind.

6. Ship speeds

WHEN vessels started to reduce speed some eight years as oil prices soared, slow steaming was regarded as something of a short-term gimmick, as containerships cut back from around 26 knots to nearer 22 knots to burn less fuel.

Today, super-slow steaming is the norm, low charter rates enabling lines to hire extra tonnage to maintain weekly schedules and still save money.

But with oil prices on the slide, will ships start to speed up again?

Industry leaders are divided; Maersk chief executive Soren Skou extols the benefits of very slow ship speeds for environmental and cost reasons, whereas Seaspan boss Gerry Wang expects some acceleration.

In the highly competitive world of container shipping where lines are constantly seeking ways to outflank each other, it seems a fair bet that carriers may take the opportunity to bring back some express services if, as seems highly likely, bunker prices continue to weaken.

Source: www.loydslist.com Damian Brett, Linton Nightingale and Janet Porte

Northbound leg to again dominate South America-US containerized trade

For the last quarter-century or more, container shipping patterns between the U.S. East Coast and the east coast of South America have been susceptible to flips and turns. Another one appears imminent.

For much of the first decade after the turn of the century, the northbound leg was stronger. Brazil's currency, the real, was weak — the dollar peaked at 3.95 to the real in October 2002 — and the U.S. construction boom, fanned by cheap loans, created strong demand for Brazilian building materials and furniture.

Just after the 2008 financial crisis, however, trade began to flip and, since 2010, the southbound leg has been the head-haul. In 2009, the U.S. East Coast handled 243,100 TEUs — 20-foot-equivalent container units — of imports from the east coast of South America while shipping out 205,700 TEUs. A year later, 295,300 TEUs moved southbound, 30,400 TEUs more than northbound volumes.

The dollar-real exchange rate fluctuated from about 1.6 on July 28, 2008 to 2.5 by Dec. 5 that year, then to 1.8 throughout much of 2010, down to 1.55 in July 2011 before rising to 2.1 for much of 2012.

Interestingly, the real has been weakening rapidly against the dollar over the past several months, and the trade lane seems set for another flip. The real started 2014 at 2.4 and rose steadily to nearly 2.7 on Dec. 31, before retreating slightly to 2.6 this week.

With the dollar able to buy more for its Brazilian buck, goods from the South American giant — which largely dictates the direction of the trade, rather than smaller markets of Argentina, Venezuela and Uruguay — are increasing rapidly.

In 2013, total volume between the east coast of South America and the U.S. East Coast of 621,544 TEUs was down 3.4 percent from 2012. During the first half of 2014, the southbound leg fell 11.6 percent year-over-year, to 155,870 TEUs, while northbound volume declined by more than half that rate, 5.5 percent, to 122,942 TEUs.

As importers and exporters in Brazil and the U.S. adjust to the new exchange rates, the trend looks set to continue. "Northbound in 2015 will be better because of the improved U.S. economy and the increasing value of the U.S. dollar," JOC Group Economist Mario Moreno said. "Because foreign goods will become much cheaper for Americans, I am forecasting growth of 10 percent in northbound volumes for the east coast of South America to the U.S."

Brazil, as Latin America's largest economy, naturally leads the way in volume terms, and increased competition and capacity in some of its leading ports, particularly Santos where new terminals have opened, has led to a price war that has cut container-handling rates by 15 to 25 percent since a year ago.

A government dredging program also has improved the draft at many Brazilian ports, notably at Santos, whose current depth of 43.5 feet is 3.5 feet deeper than a year ago. Eventually South America's largest port will have a draft of nearly 50 feet and should be able to accommodate the vessels of up to 10,000 TEUs that will start cascading to the north-south trades in the near future.

One significant development to impact the trade this year is the entry of the revived SeaLand brand. Maersk, which merged with Sea-Land Service in December 1999 but ended the well-known and historical brand in 2006, wants to improve its position in this trade, bringing back the SeaLand name to do so.

Maersk executives and apparently many shippers believe the SeaLand brand has stronger resonance and firmer history in this trade, and could appeal to many cargo owners, especially smaller ones who ship less than 500 containers a year.

Craig Mygatt, who previously led Maersk's inland North American business, was named SeaLand CEO in early 2014, and 250 Maersk transferred to Miami-based SeaLand.

Another key trade route from the east coast of South America is the one to Asia. Neil Dekker, director of container research for London-based Drewry Shipping Consultants, said the significant growth of southbound trade from Asia — 9 percent in 2013 — is starting to tail off.

"The imbalance of this trade lane, 2.5 imports (into South America) for every box exported, and other factors means the rates for the backhaul cargoes are very weak," he said. "The growth just hasn't been there, and there has been a lot of volatility. Overall, it is not looking optimistic for the carriers" in 2015.

Freight rates have been especially volatile, with Shanghai to Santos falling from \$1,300 per TEU in late 2013, to \$620 last June. They then recovered to \$1,260 in November following a general rate increase, and sat at \$1,046 on Jan. 16

"With such depressed rates carriers are fighting hard for cargo right now," Dekker said.

Some carriers are compensating for the weak backhaul rates by containerizing more commodities, especially grains such as soya. "Historically these cargoes go as bulk, but we are seeing more and more interest in moving some soya, especially for niche markets, by container," said Peter Gyde, Brazil country manager for Maersk Line. "It helps make up for the cheap back-haul rates and it helps to reposition containers as well.

He said Maersk was seeing this phenomenon especially in the route from the east coast of South America to Asia, but also somewhat to northern Europe.

Julian Thomas, general manager of east coast South America operations for Brazilian-flag carrier Alianca Navegacao and its parent company Hamburg Sud, said container volumes into Brazil and Argentina are still the dominant factors, but he has detected a trend toward more northbound.

"The trade lane is still tilted toward southbound, but economic problems in Brazil and Argentina mean the volumes are not what they were," he said. "We have also seen that the exchange rate changes have led to a resumption in shipments of wood products to the U.S."

All the indicators are that, with the stronger dollar, this trend will continue throughout 2015.

Source: **Robert Ward (rcward788@btinternet.com)**

Ship traffic up 300% since 1992

Maritime traffic on the world's oceans has increased four-fold over the past 20 years, likely causing more water, air and noise pollution on the open seas, according to a new study quantifying global ship traffic.

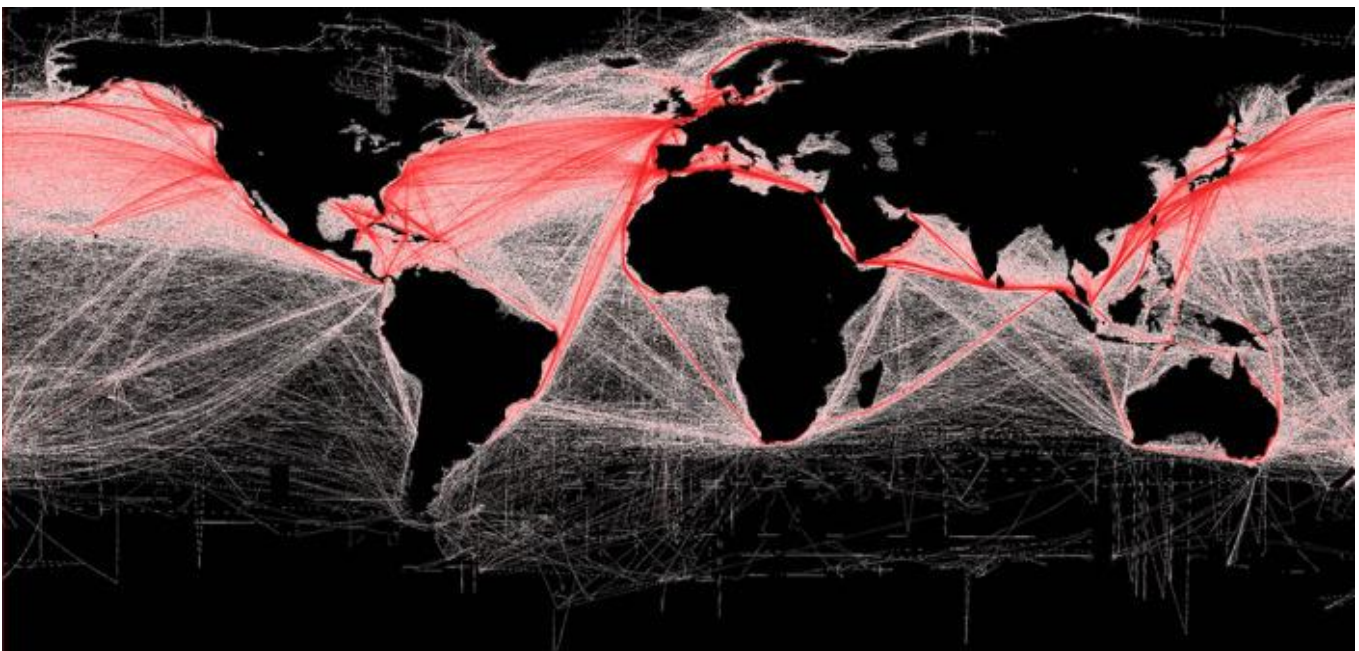
The research carried out by the American Geophysical Union used satellite data to estimate the number of vessels on the ocean every year between 1992 and 2012. The number of ships traversing the oceans grew by 60 percent between 1992 and 2002. Shipping traffic grew even faster during the second decade of the study, peaking at rate of increase of 10 percent per year in 2011.

Traffic went up in every ocean during the 20 years of the study, except off the coast of Somalia, where increasing piracy has almost completely halted commercial shipping since 2006. In the Indian Ocean, where the world's busiest shipping lanes are located, ship traffic grew by more than 300 percent over the 20-year period, according to the research.

Ships powered by fossil fuels dump oil, fuel and waste into the water and pump exhaust into the air. Shipping is also a major source of noise pollution, which is increasingly considered potentially harmful to marine mammals, said Jean Tournadre, a geophysicist at Ifremer, the French Institute for the Exploitation of the Sea in Plouzane, and the study author.

"I found it quite worrisome that the ship traffic grew so much, even in very remote regions of the world," Tournadre said, "especially when we know that they are the major source of pollution [on the open ocean]."

International trade and the sizes of merchant fleets have both enlarged rapidly over the past two decades, explaining the steep rise in ship traffic, the study reports. The new analysis has been accepted for publication in *Geophysical Research Letters*, a journal of the American Geophysical Union.



Burgeoning ship traffic has increased the amount of pollution in the atmosphere, particularly above the Sri Lanka-Sumatra-China shipping lane, where the study notes a 50 percent increase in nitrogen dioxide, a common air pollutant, over the 20-year period.

Tournadre said he hopes the new study will increase scientists' understanding of how human activities are affecting marine ecosystems and improve models of atmospheric pollution in the open ocean.

The new dataset will provide scientists with invaluable insights into the patterns of ship traffic and the traffic's effect on the environment, said Batuhan Osmanoglu, a radar systems engineer at NASA's Goddard Space Flight Center in Green Belt, Md., who was not involved in the study.

"The nice thing about this study is that they have a unique dataset, that maybe we're looking at for the first time," he said. "Whenever you have a unique dataset you can quite easily learn something new."

The new study is the first to track ship traffic on a global scale, Tournadre said. Currently, ship traffic is monitored using the Automatic Identification System (AIS). When vessels are near the coast, they use transponders to send out their location information to other ships and base stations on land. However, the AIS system doesn't work very well when ships are out on the open ocean. Vessels are often out of range of terrestrial base stations or other ships, and few satellites carry the AIS instrumentation necessary to locate vessels from space.

The new method outlined in the study uses altimeters, or instruments that measure altitude, aboard satellites to detect the location of ships at sea, similar to the way these instruments have been used to track icebergs.

The altimeter sends a radar pulse down to Earth from the satellite and constructs an image of the surface based on the time it takes the pulse to bounce back to the instrument and the shape of the pulse when it arrives. The method works similar to throwing a ping pong ball at the ground: if you know the velocity of the ball and the time it takes to bounce back to your hand, then you can calculate how far from the ground you are. The shape of the returning pulse can tell you something about the features on the ground. A smooth target like the ocean will bounce back an expected pulse shape, but if something like an iceberg, island, or ship is present, the shape of the echo will change.

In 2007, Tournadre was poring over hordes of satellite data for signs of icebergs in polar seas, when he noticed an odd shape in the data.

"We had some unconventional data in a region, and careful analysis showed us that it was a lighthouse near shipping lanes," he said. "As we processed the data over the whole globe, we also detected ships."

Tournadre found that the altimetry data accurately reproduced known shipping lanes and could be used to estimate the number of vessels on the ocean worldwide. The study used altimetry data from seven different satellites to map ship traffic from 1992 to 2012.

Using satellite data made it possible to calculate ship traffic for the entire globe, whereas AIS records provide relatively limited coverage in both space and time, Tournadre said. The new method also allowed him to look back at two decades of traffic using archived data, and give independent measurements of ship traffic that were not based on the will or capability of ships to transmit their own positions.

However, Tournadre also cautions that some of the growth he has seen in ship traffic could be overestimated because ships, especially container ships, have become larger over the past two decades and possibly easier to detect with altimetry data.

Source: SHIPINSIGHT EDITORIAL

Survey Results for Containers Lost At Sea – 2014 Update

In 2013, the international liner shipping industry carried approximately 120 million containers packed with cargo, with an estimated value of more than \$4 trillion. Proper packing, stowage and securing of containers is very important to the safety of a container ship, its cargo and its crew, to shore-based workers and equipment, and to the environment. Even with proper packing of the cargo into the container, proper container weight declaration, and proper stowage and securing aboard ship, a number of factors ranging



from severe weather and rough seas to more catastrophic and rare events like ship groundings, structural failures, or collisions can result in containers being lost at sea.

Obtaining an accurate assessment of how many containers actually are lost at sea has been a challenge. There have been widely circulated, but unsupported and grossly inaccurate statements that the industry might lose up to 10,000 containers a year at sea. A number of submissions to the International Maritime Organization (IMO) have included similar numbers without any substantiation.

In an effort to gain greater clarity on the issue, in 2011 and again in 2014, the World Shipping Council (WSC) undertook a survey of its member companies to obtain a more accurate estimate of the number of containers lost at sea on an annual basis.

Methodology of the Survey

In the 2011 survey, the WSC member companies were asked to report the number of containers lost overboard for the years 2008, 2009 and 2010. The carriers that responded represented over 70% of the 2011 global container ship capacity. WSC assumed for the purpose of its analysis that the container losses for the 30% of the industry that did not respond to the survey would be roughly the same as the 70% of the industry that responded. The total annual figure reported was adjusted upward to provide an estimated loss figure for all carriers, both WSC members and non-members, and arrive at a total industry figure. As one might expect, some carriers lost no containers during the period, while others noted a catastrophic loss, which for the purposes of this analysis was defined as a loss overboard of 50 or more containers in a single incident. Catastrophic losses are rare, but of the total number of containers lost at sea, a significant percentage result from catastrophic events.

Based on the 2011 survey results, the World Shipping Council estimated that on average there were approximately 350 containers lost at sea each year during the 2008-2010 time frame, not counting catastrophic events. When one counted the catastrophic losses, an average annual total loss per year of approximately 675 containers was estimated for this three year period.

In order to expand and update the estimate of containers lost at sea, in 2014, WSC surveyed its members for the years 2011, 2012 and 2013. In the 2014 survey, WSC received reports from carriers representing 86% of the 2014 global container ship capacity. WSC again assumed for purpose of its analysis that the container losses for the remaining 14% of the industry would be roughly the same as the 86% of the industry that responded and again adjusted the total annual figure upward to produce a total estimated loss for all carriers, including member and non-member companies.

The survey of the years 2011, 2012 and 2013 estimates that there were approximately 733 containers lost at sea on average for each of these three years, not counting catastrophic events. When one includes catastrophic losses (as defined above) during these years, the average annual loss for the period was approximately 2,683 containers.

This larger number is due primarily to two factors: the complete loss in 2013 of the MOL Comfort in the Indian Ocean and all of the 4,293 containers on board – the worst containership loss in history; and, in 2011, the grounding and loss of the M/V Rena off New Zealand, which resulted in a loss overboard of roughly 900 containers. These incidents involved complete and total vessel losses.

Analysis of the Survey Results

Combining the results of the two WSC surveys over the six year period from 2008 to 2013, the WSC estimates that there were on average 546 containers lost at sea each year, not counting catastrophic events, and on average a total of 1,679 containers lost at sea each year including catastrophic events.

The data demonstrates that container losses in any particular year can vary quite substantially based on differences in weather and based on the extent to which there may be one or more catastrophic vessel losses. For example, in 2011 (the year of the loss of the M/V Rena) there was a total annual loss of 1,514 containers. In 2012, there was a total loss of 958 containers. In 2013, there was a total loss of 5,578 containers – 77% of which occurred with the sinking of the MOL Comfort in the Indian Ocean.

Active Safety Improvement Initiatives

While containers lost overboard represent a very small fraction of the roughly 120 million container loads shipped each year, the industry has been actively supporting a number of efforts to enhance container safety that should help reduce the number of containers lost at sea, including:

- **Amendments to the Safety of Life at Sea (SOLAS) Convention:** The IMO has before it amendments to the SOLAS Convention that will require container weight verification as a condition for vessel loading and will consider these amendments for adoption in November 2014. Misdeclared container weights have contributed to the loss of containers at sea, as well as to other safety and operational problems. For more information about this initiative, visit: <http://www.worldshipping.org/industryissues/safety/cargo-weight>
- **New Code of Practice for Packing of Cargo Transport Units (CTU):** The IMO, the International Labour Organization (ILO), and the United Nations Economic Commission for Europe (UNECE), with industry support, have produced a new code of practice for the packing of CTU, including containers, outlining specific procedures and techniques to improve safety, such as how to ensure equal distribution of weight inside the container, proper positioning, blocking and bracing according to the type of cargo, and other safety considerations. The new code has been approved by the IMO and the UNECE and is expected to receive final approval by the ILO in November 2014. For more information about this and other initiatives related to the improved safety of handling containers, visit: <http://www.worldshipping.org/industry-issues/safety/containers>
- **Revised ISO standards for container lashing equipment and corner castings:** As part of its efforts to enhance container safety, the IMO has requested the International Organization for Standardization (ISO) review and revise its standards regarding lashing equipment and corner castings. The ISO is working on these issues with the industry's active participation. For more information about this initiative visit: <http://www.worldshipping.org/industry-issues/safety/containers>

Any loss of a container at sea is a loss that carriers seek to prevent. While the actual number of containers lost at sea is significantly less than many public statements cite, the industry's goal continues to be to reduce those losses to as close to zero as possible.

Source: World Shipping Council

INTRODUCTION TO THE RESULTS OF THE IMO PUBLIC CONSULTATION ON ADMINISTRATIVE REQUIREMENTS IN MARITIME REGULATIONS

This publication presents the main findings and conclusions of the first-ever public consultation undertaken by the International Maritime Organization (IMO) on administrative burdens associated with mandatory IMO instruments, i.e. conventions, codes and other instruments.

In order to encourage the widest possible participation by everyone with an interest in or relevant knowledge of or work experience with IMO regulations, the consultation was launched under the banner “Have your say!” on a dedicated webpage. The webpage was active over a period of six months (May-October 2013) and responses could be given either on behalf of an organization or in a personal capacity.

All responses were processed and analysed by the Steering Group for Reducing Administrative Requirements (SG-RAR) supported by the IMO Secretariat. The Steering Group was established by IMO’s Council and its tasks were to review responses from the consultation and develop recommendations for consideration by the Council. Having decided that the outcome of the consultation process should be made available publicly, in the interest of full transparency, the Council approved, in general, the final report, of which this publication is a summary.

The main objective of the consultation was to identify those administrative requirements in mandatory IMO instruments perceived as “unnecessary, disproportionate or obsolete”. These requirements may therefore hinder effective regulatory compliance, making it more complex and difficult, with implications for the efficiency of the daily operations of shipping. Administrative requirements are, amongst others, obligations to keep records, display information on board the ship, retain seafarer certificates for inspection, and provide information to authorities or to IMO.

The shipping industry dedicates significant resources and incurs considerable costs to achieve and maintain the global standards developed and adopted by IMO for safety at sea, maritime security and protection of the environment from pollution by ships. As the competent body recognized under international law, IMO has a responsibility in ensuring that any such costs are moderate in order for the shipping industry to continue to serve international maritime transportation and global commerce efficiently.

However, this responsibility is a shared one. Through their input into IMO’s consensus-driven regulatory processes, the shipping industry and other maritime stakeholders are an integral part of the solution to reduce administrative burdens and thus achieve better and smarter regulation. This close cooperation is also in the interests of the longer-term sustainability of international shipping as it is confronted with ever-increasing, as well as stricter safety, security and environmental regulations in response to the demands of civil society. In short, it is of vital importance that IMO conventions and other instruments keep pace with the ever-evolving needs of a modern industry, including making the best use of technological advances such as electronic solutions to fulfil administrative requirements and other enhanced systems to facilitate regulatory compliance.

In November 2011, IMO’s governing Assembly adopted a resolution on the Periodic Review of Administrative Requirements in Mandatory IMO Instruments (resolution A.1043(27)). This led to the creation of an Inventory of Administrative Requirements in Mandatory IMO Instruments, which was submitted to the IMO Council in June 2012. It identified a staggering number of administrative requirements - over 560 - and became a vital tool in the preparation of the consultation exercise and the subsequent analysis of responses.

It is against this background that the importance of the consultation process being open to everyone with a legitimate interest must be understood. The structure of the consultation process was tailored to the various stakeholder groups so that every respondent could more easily choose which mandatory instruments - and which specific administrative requirements therein - to comment upon. The broad stakeholder categories were: ship's management (including ship masters, crews and shipping companies); nominated surveyors and recognised organizations; governments (in their capacity as Parties to IMO conventions) and maritime administrations (of flag, port and coastal States); IMO Secretariat (including the Secretary-General); and other stakeholders with an interest in maritime regulation.

The selected categories pertaining to mandatory IMO instruments were related to safety (the SOLAS Convention); environmental protection (the MARPOL Convention); seafarers' training and certification (the STCW Convention); liability and various other areas of regulation.

"Have your say!" marks an innovative IMO approach to smarter regulation."

The current challenge for IMO is to decide on the best way forward and to learn from the many comments, views and suggestions this innovative exercise has generated for alleviating perceived administrative burdens, or removing them altogether, in the interests of more effective and efficient regulation. Administrative requirements that have been identified as particularly burdensome may nevertheless be essential to ensure full implementation and effective enforcement of IMO regulations and should therefore continue to be legal obligations. The 13 recommendations presented to the Council provide concrete opportunities to guide further work by IMO, in cooperation with its shipping industry partners and other maritime stakeholders, to achieve improved solutions for meeting those obligations.

"The shipping industry is part of the solution to reduce administrative burdens."

ANALYSIS OF RESPONSES AND MAIN FINDINGS

The experiences of ships' crews, who are at the frontline of shipping operations, every day of the year, are of particular interest to any review of the effectiveness of maritime regulations. It has been very encouraging that many seafarers took part in the public consultation. Some 60% of total responses came from ship masters, senior officers and ships' crews. The analysis of their feedback, together with that of other respondents, also sought to establish whether administrative requirements were perceived to be problematic (or not problematic) by an individual respondent (e.g. a senior ship officer), by a particular stakeholder group (e.g. ships' crews), or by a variety of stakeholder groups (e.g. ships' crews and shipping companies).

"The vast amount of administrative requirements, seen as a whole, together represents a huge administrative burden for the company and crew on board."

A major - and perhaps surprising - finding has been that the majority of administrative requirements addressed in the consultation process, 351 out of the total of 563, or some 66%, were not perceived as being individually burdensome by any of the respondents. This result was captured in the reported view of one stakeholder on the voluminous paper work imposed by charterers, ship management companies, P&I Clubs and port agencies, stating that administrative burdens emanating from IMO instruments were "the very minimum" by comparison.

However, even when individual administrative requirements are justified, their combined volume causes ships' crews to spend considerable time on bureaucratic tasks, rather than actually manning and operating the ship, and this in itself may risk compromising safety. In a similar vein, inspectors focus to a large extent

on verifying conformity with the correct procedures and establishing that the necessary checklists, reports and other paperwork have been produced to prove that the procedures were followed correctly. An inspection thereby becomes “control of control”, with a tendency to evaluate the quality of the oversight system rather than the quality of the ship and the crew. In this regard, it is not necessarily a specific administrative requirement which generates the bureaucracy but rather the indirect impact of having to report and document daily routines.

Nonetheless, the nature of the listed requirements and the stakeholder types involved provided a rather diffuse picture that cautioned against drawing firm conclusions. A careful analysis of each of the 182 administrative requirements (out of the total of 563) that were perceived as burdensome by at least one respondent, representing some 34% of the total, revealed that many responses did identify problems with excessive paperwork associated with regulatory compliance. Comments included suggestions for urgent change, for instance, by working with “intelligent” databases on websites with secure access in order to rationalise the fulfilment of administrative requirements.

This is indicative of a new, IT-savvy generation seriously questioning the necessity of keeping multiple records covering the same event or subject matter, and asking why inspectors seemingly spend more time poring over a ship’s certificates than physically looking over the ship. It was instead recommended that certificates could be posted on a website with access provided to accredited authorities, or, according to one stakeholder, “a Facebook for ships”, with all certificates available for observation.

As one stakeholder put it, the tendency to “smother everything we do with paper” is also a result of a blame orientated and litigious culture, encouraging everybody to increase the paperwork as a means to demonstrate that everything has been done to prevent mistakes or mishaps and thus to avoid legal liability - by pointing the blame elsewhere.

While the processing and assessment of responses involved a significant effort in statistical analysis, considerations of a qualitative nature were also important to address the two key purposes of the consultation process. These were, first, to consider whether the administrative requirements in mandatory IMO instruments are still necessary, proportionate and relevant, and, second, to consider measures that could potentially alleviate administrative burdens resulting from compliance with the requirements (and thus release resources for Administrations, industry stakeholders and the IMO Secretariat) - but without compromising IMO’s overriding priorities to protect safety of life at sea, maritime security and the environment.

Significantly, it was noted that while the majority of the (182) administrative requirements perceived as burdensome were still necessary, proportionate and relevant, it is often the accumulation of requirements that represents a burden and this is an important issue IMO needs to address.

Many of the administrative requirements gave rise to long debates in the Steering Group, but it was able to adopt recommendations to the Council by consensus. These address a wide variety of pertinent matters. For instance, as regards possible measures to alleviate the administrative burden, it was concluded that burdens related to administrative requirements perceived as burdensome - some 24% - could be reduced by using forms of electronic reporting or notification. The figure was 14% with regard to the shipboard carriage of certificates and similar documents, for which electronic versions should be acceptable. Similarly, some 13% of burdensome requirements could be met more efficiently by electronic recording of information.

A full list of the administrative requirements and the various categories of impacted stakeholders can be found on the SG-RAR website, which also offers other background information, www.imo.org/OurWork/rar



**RECOMMENDATION 1
USE ELECTRONIC MEANS
FOR REPORTING**

IMO should ensure that requirements to provide information to and from IMO could be fulfilled by electronic means.



**RECOMMENDATION 3
RECOGNIZE ELECTRONIC
CERTIFICATES**

Electronic certificates should be recognized as equivalent to origin of paper certificates and similar documents.



**RECOMMENDATION 4
ACCEPT ELECTRONIC
RECORD-KEEPING**

Electronic recording of information should be accepted as a full alternative to paper versions.



**RECOMMENDATION 5
RECOGNIZE ELECTRONIC
DOCUMENTS (OTHER THAN
CERTIFICATES)**

Electronic versions of documents required to be carried on board should be recognized as equivalent to original paper documents.



**RECOMMENDATION 6
AVOID MULTIPLE
REPORTING**

Reporting to a single entity should be introduced to avoid the need to report the same information to multiple entities, in particular in cases of accidents.



**RECOMMENDATION 2
ESTABLISH IMO
WEB-BASED
INFORMATION PORTAL**

A web-based, secure information portal to fulfil reporting requirements should be established by IMO.



**RECOMMENDATION 8
IMPROVE MARITIME
SECURITY AWARENESS**

More work needs to be done to explain the reasons that led IMO to adopt the security provision in SOLAS Chapter XI-2 and the International Ship and Port Facility Security Code (ISPS Code), as these are perceived as burdensome and disproportionate.



**RECOMMENDATION 9
AVOID ACCUMULATION
OF ADMINISTRATIVE
REQUIREMENTS**

When developing regulatory proposals, it is important to pay attention to the burden that can arise from the combined effect of two or more administrative requirements, which may not be burdensome on their own.



**RECOMMENDATION 10
AVOID BURDENS FROM
NON-MANDATORY
INSTRUMENTS**

Fulfilling guidelines and other non-binding instruments often involves administrative tasks that add to the burden associated with mandatory administrative requirements. Such potentially adverse consequences must be taken into consideration when introducing non-binding instruments.



**RECOMMENDATION 11
ADOPT IMO RESOLUTION
ON EFFICIENT REGULATION**

The IMO Assembly should adopt a resolution reaffirming the Organization's commitment to efficient regulation and ensure that the regulatory process systematically addresses the problems of duplication, complexity, and lack of coherence and transparency.



**RECOMMENDATION 12
MONITOR AND REVIEW
EXISTING REGULATIONS**

No piece of legislation should be written in stone. It is important to keep an open mind on the continuous relevance, adequacy and effectiveness of existing regulations.

Regulations that have become outdated, superfluous, inappropriate or ineffective should be removed, based on the changing needs of the shipping industry and technological advances.



**RECOMMENDATION 13
INCREASE EFFORTS
TO AVOID FUTURE
ADMINISTRATIVE BURDENS**

Every effort should be made to identify possible burdens before approving proposals for developing new regulations or amendments to existing regulations. It is recommended that the IMO Council amend procedures to ensure that the checklist for identifying administrative requirements and burdens is strictly applied and also identifies possible electronic solutions.



OUR RECOMMENDATIONS

SE Asia tanker hijacks rose in 2014 despite global drop in sea piracy, IMB report reveals

London and Kuala Lumpur, 14 January 2015 – Attacks against small tankers off South East Asia's coasts caused a rise in global ship hijackings, up to 21 in 2014 from 12 in 2013, despite piracy at sea falling to its lowest level in eight years, the International Chamber of Commerce (ICC) International Maritime Bureau (IMB) has revealed. Pirates took 442 crewmembers hostage, compared with 304 in 2013.

IMB's annual piracy report shows 245 incidents were recorded worldwide in 2014 – a 44% drop since Somali piracy peaked in 2011. Somali pirates were responsible for 11 attacks, all of which were thwarted. However, IMB warns shipmasters to follow the industry's Best Management Practices, as the threat of Somali piracy has not been eliminated.

Worldwide, 21 vessels were hijacked last year, 183 were boarded, and 13 fired upon. Pirates killed four crewmembers, injured 13 and kidnapped nine from their vessels.

"The global increase in hijackings is due to a rise in attacks against coastal tankers in South East Asia," said Pottengal Mukundan, Director of IMB whose Piracy Reporting Centre has monitored world piracy since 1991. "Gangs of armed thieves have attacked small tankers in the region for their cargoes, many looking specifically for marine diesel and gas oil to steal and then sell."

Citing the death of one crewmember shot on his bitumen tanker in December, the IMB report highlights the possibility of the hijackings becoming increasingly violent. Most of the 124 attacks in the region were aimed at low-level theft from vessels using guns and long knives.

IMB commends the Indonesian Marine Police's efforts to stem the increase in attacks in identified port hotspots. Outside port limits, pirates are particularly active in the waters around Pulau Bintan and the South China Sea, where 11 vessels were hijacked in 2014. Actions taken by the Malaysian Maritime Enforcement Agency, the Indonesian authorities and other maritime forces of regional coastal states have played a key role in responding to these attacks.

"It is important that these gangs are caught and punished under law, before the attacks become more audacious and violent," said Mr Mukundan.

West Africa's oil thieves

In West Africa, 41 incidents were reported, although IMB says many further attacks went unreported. Five vessels were hijacked, including three tankers, one supply and a fishing vessel. Hijackings of product tankers appeared to subside in the last quarter of 2014, with the last reported case at the end of July 2014.

Of the 18 attacks off Nigeria, 14 involved tankers and vessels associated with the oil industry. Most were product tankers, hijacked to steal and tranship their cargo into smaller tankers. Earlier in the year the waters South and West of the Brass Terminal saw a particularly concerning spate of attacks.

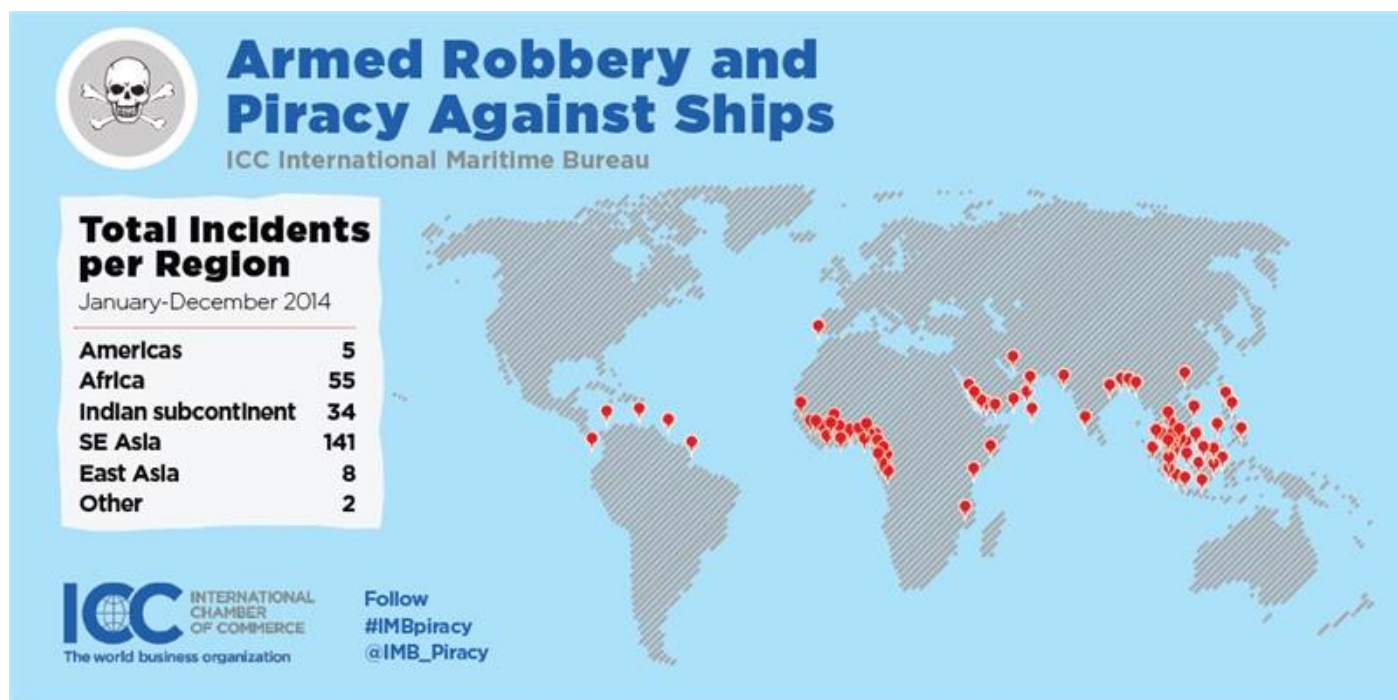
One Nigerian attack, among the report's long list of piracy incidents, reads: "Two armed pirates boarded the tanker. As the crew retreated into the citadel, the onboard-armed team fired at the pirates. Most of the crew including the guards managed to retreat into the citadel. ... When the guards and crew emerged from the citadel they found the C/E killed and the 3/O injured."

In and around Ghanaian waters, in June and July three vessels were hijacked, one of which was a fishing vessel intended to be used as a platform to hijack tankers off Nigeria. Seven vessels were also boarded

while anchored at Pointe-Noire, Republic of the Congo, with ship and crew properties targeted by the robbers.

Bangladesh

Bangladesh reported 21 incidents in 2014, up from 12 in 2013. Seventeen anchored and three vessels underway were boarded and one attempted attack on a vessel. The majority of incidents were low level thefts from vessels, although in one report three crew were taken hostage and two crew injured in two separate incidents. The Bangladesh Coast Guard helped respond to many calls of assistance from ship masters.



Source: ICC-Comercial Crime Services