



SIZE AND SECURITY

DEFENDING THE SUPPLY CHAIN



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A big-ship small-ship debate – scoring the pros and cons of larger vessels – reignites every time a newly built vessel breaks the previous record. The financial implications, impact on the market and operational risks of operating a larger vessel are therefore well documented. However, this article looks at how increased size can affect a vessel's security.

CHARACTERISTICS

From a security perspective, there are several benefits to operating larger vessels. Higher freeboards and service speeds typically make large container vessels more difficult to board while underway, with pirates looking to target vessels that appear more easily accessible.

Yet, security requirements also lead to other considerations for larger vessels. These larger vessels are often managed by crews of the same size as those in smaller vessels, while newly-built, more technologically advanced vessels can have even smaller crews. In securing the vessel, restricting access or providing a deterrent to potential boarders, the security

requirements become greater. More razor wire along the decks, more distance for crews to travel to a citadel, larger areas for those on watch to cover and, in some cases, more security personnel required to adequately cover the ship itself.

PUTTING ALL YOUR EGGS IN ONE CONTAINER

The size of these vessels also means that only a handful of ports are able to service them. This can also act as a security benefit because the majority of these facilities are located in fairly low-risk security environments in regions such as East Asia (China and Japan), South-east Asia (Klang, Malaysia), the Gulf (Jebel Ali, UAE) and Europe (Hamburg, Germany and Southampton, UK). Many of these have seen significant investment to accommodate larger vessels, including improved container handling procedures and, as a result, improved security systems.

However, the routes between these ports remain vulnerable. If transiting the popular Asia-Europe routes, most large vessels must pass through key maritime

trade chokepoints such as the Singapore Strait, which in 2015 saw a surge in theft and robberies involving vessels underway. The routes between East Asia, the Middle East and Europe also pass through Somali pirate areas.

For a vessel operator relying on one large vessel, the business impact of delays, or losing or suffering significant damage to one large vessel, which may be the only large asset in the fleet, could be detrimental. The likelihood of an attack may be statistically lower than for an operator having four vessels on the same route. However, the potential business impact could be higher.

Threat actors along the route from Asia to Europe range from unsophisticated pirate groups in South-east Asia, to organised crime off Somalia, to disgruntled port workers, political groups and militant networks in countries such as Yemen, Egypt and Libya. For example, the Suez Canal is well secured by the Egyptian military, but the threat of opportunistic attacks by local militant groups remains. This was seen in August 2013, when the container vessel COSCO Asia was fired on with a rocket-

propelled grenade (RPG) by a local militant group, the al-Furqan brigades.

The impact on the COSCO Asia and shipping through the canal was limited, and few militant groups globally are assessed to have the capability to carry out sophisticated attacks on commercial vessels in key chokepoints and offshore. However, the threat of opportunistic, unsophisticated attacks will persist along routes large vessels frequent.

When more serious threats emerge, the impact on large vessels can be more significant. Take Somali pirate groups. Between 2008 and 2012, these groups expanded their range across the Indian Ocean, targeting a range of vessel types, from vehicle carriers to yachts, container vessels and very large crude carriers. A hijack of a vessel could lead to a traumatic experience for crew members, while the vessel would be held off the Somali coast for a period of months, sometimes years, until a ransom was paid. Throughout this time, the operator, while dealing with its personnel held hostage and assets detained, would have to continue to service its business commitments. With larger vessels, this can mean supplementing two or three smaller vessels to cover the size requirements.

SUPPLY CHAIN DISRUPTION

One of the most pressing issues facing large vessels operating globally is that other parts of the supply chain, including port services, onshore infrastructure and canals, have yet to catch up to the increasing size of such vessels. Larger container vessels may, in theory, be more efficient for shippers, but with fewer available ports of call the impact of disruption, either through congestion in ports or as a result of a port being temporarily inaccessible, increases. Whereas vessels may divert to other ports, it is here that larger container vessels are particularly vulnerable as there may not be many alternative ports that can service them nearby, or even in that country. During localised or widespread protests, issues of port capacity can be exacerbated.

Short-notice protests were seen in ports in North and South America in 2014 and 2015, though not specifically targeting larger vessels. In Brazil, attempts by fishing groups and labour unions to block ports led to significant delays for container and cruise ships. Labour disputes can become prolonged. One of the most disruptive protests was seen off the US West Coast in 2015 between members of the International Longshoremen and Warehouse Union and the Pacific Maritime Association in ports such as Los Angeles and Long Beach, and led to major shifts in trading patterns along the routes. Other protests involve direct action groups. In 2014, following the Israeli

military campaign in Gaza, a co-ordinated protest campaign by US Palestinian solidarity activists under the 'Block the Boat' campaign blocked Israeli-owned vessels of a specific operator calling at a number of ports, including Oakland and Tacoma. While the protests focused on a specific vessel operator, there was an impact on other vessels calling at these ports.

MORE ON BOARD

Other operational risks may be more pressing for large ships than for operators of small vessels. Large ships do not necessarily equate to more crew members. This can be an issue during port calls, where vessel access needs to be controlled to prevent the presence of stowaways or the concealment of illegal substances smuggled onboard. Port security will always remain a concern, and not just the effectiveness of physical security measures, but also whether third parties and their security and cargo checking systems can be trusted and relied on. In operations where due diligence is not carried out on third parties, operators expose themselves to legal and reputational risks, such as fraud or smuggling.

Regardless of their size, vessels carrying controversial cargo could be targeted by direct action groups, as the container vessel Eilbek in July, 2013 experienced in Hamburg, Germany. The vessel, which was carrying a container of whale meat from Iceland to Japan via Germany, was met by activists in small boats, who escorted the vessel to the port, where they prevented the vessel from departing. As a result of the action, the shipment was cancelled and the whale meat container was removed, leading to disruption of service. In recent years, some carriers have banned certain controversial products – including shark products – from being transported on their vessels to avoid such incidents.

ATTRACTIVENESS

Larger vessels also often present attractive targets for assailant groups. While most pirate attacks around the world remain largely opportunistic, a terrorist group would seek to cause the maximum devastation possible. It is here that the cruise industry, with ever increasing vessel sizes, would be a concern.

That said, the capability of most groups to target vessels underway, particularly so far offshore, remains limited. In addition, understanding this risk, the cruise sector is one that takes a much more stringent approach to security than most. Building on security advice, port calls are often changed even for pre-scheduled cruises, should the security situation warrant it. However the vulnerability of larger groups of passengers during excursions onshore

will remain a key threat in an ever-changing geopolitical environment.

IMPACT

So, a consistent theme is beginning to appear. Larger vessels may not necessarily be more exposed to specific security threats, but they exhibit vulnerabilities due to their size. While pirates are more likely to board smaller vessels, larger vessels are also targeted. Similarly, in terrorist attacks, while such vessels could be more attractive because of their size and potential for damage, all vessels remain potential targets. Yet it is the impact to operations of an incident where there are more significant implications.

Overall, operators may decide that larger vessels add value to their business. They may be more energy efficient and less likely to be the target of financially motivated pirate groups. But, by relying on a few large vessels, fewer alternatives can fill the space if and when an incident does occur – if the largest vessel becomes incapacitated, if it experiences restrictions to freedom of navigation or is required to re-route. With fewer large ports to accommodate these vessels, this has further implications when a facility suffers major disruption.

While maritime threats may not be as much of a consideration, when looking at business continuity or resilience following an incident, size really does matter.

ABOUT THE AUTHORS

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ABOUT THE ORGANISATION

Control Risks is an independent, global risk consultancy specialising in helping organisations manage political, integrity and security risks in complex and hostile environments. We support clients by providing strategic consultancy, expert analysis and in-depth investigations, handling sensitive political issues and providing practical on-the-ground protection and support.

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