

African hot spots worst hit as piracy surges 10%

Incidents last year involved more violence and use of weapons

Marcus Hand
Singapore

THE number of attacks by pirates reported worldwide jumped 10% in 2007, with a sharp upsurge in Somalia and Nigeria.

The International Maritime Bureau's annual piracy report said that 263 attacks were reported to its Piracy Reporting Centre in Kuala Lumpur in 2007, compared with 239 in the previous year.

It is the first time since 2003 that the number of piracy attacks worldwide has risen. The number of hijackings increased to 18 from 14 a year earlier, with 292 crew members taken hostage, and 63 crew kidnapped with a ransom demanded.

IMB director Potengal Mukundan said: "The significant increase in the numbers can be directly attributed to the increase in the incidents in Nigeria and Somalia. These two countries account for 42 and 31 of the 2007 figures respectively, compared with 12 and 10 attacks in 2006."

The failed state of Somalia saw a steep increase in attacks as pirates ventured as much as 200 nm from the coast to attack passing merchant ships. During the year 11 vessels were hijacked with 154 hostages taken. The report, produced annually, said: "The recent intervention of the international community and the coalition forces may prove to be the only way forward in curbing the enthusiasm of the pirates who have until now shown complete disregard for the law."

Noel Choong, head of the Piracy Reporting Centre, said that the situation had improved after coalition naval forces had entered Somali waters.

While Nigeria had a lower number of attacks than Somalia last year, Capt Choong said the situation in Nigeria is more serious, as incidents continue unabated and merchant shipping gets caught in crossfire between the government and rebel "political" movements.

The report said: "The attacks and kidnappings are all being justified under the umbrella of political change. From the shipping industry's point of view this is nothing short of being criminal."

The majority of the attacks are concentrated around Lagos, where 25 incidents have been reported.

Overall there has been a growing use of violence, with guns used in 72 of the 263 attacks last year. The number of crew assaulted and injured in 2007 jumped to 64 compared with 17 a year earlier.

The IMB said: "The nature of the attacks indicates that the pirates/robbers boarding the vessels are better armed and they have shown no hesitation in assaulting and injuring the crew."

But there has been progress in the fight against two other blackspots: Indonesia and Bangladesh.

There were only 43 incidents reported in Indonesian waters last year, compared to 121 five years earlier. Many of the incidents were low-level crime involving attempts to steal from vessels. The IMB credited the Indonesian authorities for their positive action to reduce incidents.

In Bangladesh, the number of incidents in 2007 was 15 compared to 47 in 2006, with action by the authorities again being credited for the reduction.

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Slow start Hammerfest LNG to reopen



Problem solver: StatoilHydro president Helge Lund speaks at a presentation in London's Canary Wharf.

AP

LIQUEFIED natural gas production at Hammerfest, Europe's only LNG plant, is due to restart before the end of this month, but output levels will be far lower than anticipated, writes *Martyn Wingrove*.

Technical issues at StatoilHydro's strategic project in Norway's Arctic region has forced the closure of the LNG plant since late last year, halting exports to North American and European terminals and leaving dedicated vessels to compete on the limited spot market.

StatoilHydro chief executive Helge

Lund said the project, which processes gas from the Snøhvit field in the Barents Sea, will be re-started in the next two weeks.

Some technical issues remain at the plant and they will take longer to iron out, so it is not expected to work at more than 50% of its design capacity this year.

"On Snøhvit we have expected some start-up problems, more than on other projects. We have a dedicated team working on the issues and these will be solved," said Mr Lund.

"This year production at the plant

will be uncertain as there will be irregularities as we work through the remedial programme."

The plant has the capacity to process around 5.7bn cu m, or 4.1m tonnes of LNG per year. With the continuing start-up problems, LNG exports will be lower than expected this year.

The main problems have been seawater incursions into the cooling system that converts gas into LNG.

Some of this will be sorted out this month, but other technical issues remain.

US Lines and ANL realign services

CMA CGM subsidiaries US Lines and ANL are reorganising their joint Australasian and transpacific services, after deciding to ditch a complicated triangulated rotation, writes *Janet Porter*.

The two lines are to end their Pacific Rim service, which covers a number of separate trade routes, in order to speed up transit times on key corridors.

The shake-up comes just weeks after CMA CGM bought US Lines, a niche

player which already partnered ANL. The service structure will be changed to avoid an eight-ship service that goes from China to the US west coast, down to New Zealand, on to Australia and back to China.

From early February, the two lines will turn their ships northbound back to the US in Australia rather than proceeding to China. The new rotation will be Melbourne, Sydney, Brisbane, Tauranga/Auckland, Oakland and Long Beach. A

benefit of the shake-up will be an additional eastbound trans-Tasman link between Australia and New Zealand, where trade is growing briskly.

The route between Asia and the US will be covered through a slot charter agreement with parent company CMA CGM, with USL and ANL taking space on the Pearl River Express rather than operating an independent service. The net result will be the deployment of one ship fewer.

Scotland outlines 20-year land and sea infrastructure improvement plan

A NUMBER of major infrastructure improvements involving container terminal developments at Scapa Flow in the Orkneys and at Rosyth have been revealed in the Scottish Executive's new National Planning Framework, writes *Michael Grey*.

Outlined by Finance Secretary John Swinney, the plan provides for a 20-year horizon with nine major projects described as having vital national importance to Scotland included in the planning framework.

The plan suggests that growing pressure on Scottish container ports will require new investment in the medium-term, with a deep water terminal outlined for a large

site adjacent to Rosyth Dockyard on the Forth. The development of the existing freight hub at Grangemouth is also seen to be an important enhancement to the country's freight handling potential.

The proposed Rosyth terminal, the plan suggests, will take advantage of the 24 hr deep-water access and would be suitable for international services.

The 20-year plan also gives a favourable wind to the Orkney Islands Council scheme for a container transshipment hub at Lyness on the island of Hoy, and recognises the potential for a transshipment terminal at Hunterston on the Atlantic coast.

The document published this week suggests the need for sustainable transport links and points to the Caledonian Canal and port developments at Fort William as the means of exploiting timber and forest product developments in the Highlands.

It points to current funding for a study into the restoration of a ferry link between Campbeltown on the Mull of Kintyre and Ballycastle in Northern Ireland, and the testing of a new ferry link with Norway.

It also sets out the need for a new Forth crossing, road and rail improvements and improvements to airports, electricity distribution and drainage.

Walters resigns from top job at DP World

PATRICK Walters has resigned from DP World, where he was senior vice-president and managing director for Europe and North Africa, writes *Janet Porter*.

His departure was announced in an internal memo to staff on Tuesday. He will be leaving the company at the end of April, a DP World spokesman confirmed.

Mr Walters, who joined P&O in 1995, was one of the few senior executives to survive the takeover of the UK company by DP World and be promoted to a more senior position.

He was in charge of the jointly-owned container terminals at Southampton and

Tilbury, before being given a bigger role a year ago. His resignation was announced by DP World director Anil Wats, but no successor has been named.

Separately, DP World has disclosed plans transfer its general and non-containerised cargo handling operations at Port Rashid in central Dubai to nearby Jebel Ali.

Most of the containerised cargo handled at Port Rashid has already moved to DP World's vast Jebel Ali complex.

Some container handling capacity will remain at Port Rashid, while cruise ships and ferries will continue to go there.

Nymar tells the Greeks to take a bite of the Big Apple

DEAR Greek Shipping Community in London, Over the past few months we have read of your concerns regarding the changes in the London business environment.

With new draft tax legislation looming, many of your colleagues have already expressed their concern that this legislation could be "very bad news indeed" (London Greek Shipping co-operation committee chairman Epaminondas Embiricos, Lloyd's List, January 4).

While shipping continues to prosper, we live in uncertain economic times, and burdensome tax regimes soon become onerous.

To remedy that, New York Maritime, Inc wishes to underscore the benefits of doing business in New York, and invites you to relocate your businesses to the New York metropolitan area. You will be greeted with open arms.

New York is the "Capital for Shipping", and successful businesses thrive here in a climate that is open and conducive to prosperity.

New York has always been a favorite place for many Greek shipowners.

Indeed, the early fortunes of many of your predecessors were made in the post-war flurry of activity as they acquired the

Liberty ships and other assets from the US government.

New York has been and always will be a haven for entrepreneurship. Free and unfettered by onerous tax obligations, the city has always encouraged business to grow and prosper.

New York is a cultural capital too. Home to more languages and nationalities than any other city in the world, it is a natural haven for a global maritime operation.

At Nymar, we are doing our utmost to encourage businesses to take advantage of all that New York has to offer.

Certainly Greek magnates such as Aristotle Onassis thought so — his Olympic Tower on Fifth Avenue bears testimony to this fact.

There are indeed so many reasons for relocating to New York, but in the spirit of New York's own David Letterman and his famous "Top Ten" lists, here are the most compelling:

1. Abundance of capital — maritime public companies in all sectors from bulk to tanker from cruise to container have a market capitalisation of over \$100bn.
2. Abundance of liquidity — over \$300 bn of public shipping stocks traded in 2007.
3. The two largest stock exchanges in

the world (New York Stock Exchange and Nasdaq) combined with vibrant media coverage, including at least three 24 hour financial news television stations that regularly feature maritime chief executives and other luminaries from the New York shipping community. This creates a global pulse unmatched anywhere in the world.

4. A dynamic and prosperous private equity community that has completed over \$3bn of transactions in the industry in the past year.

5. Over 250 shipping companies, including many of your peers, which have already reaped the benefits of the transactional New York area business climate. For example: Overseas Shipholding Group, General Maritime, Genco Shipping & Trading, Navios, Eagle Ocean, Eagle Bulk Shipping, Eastwind, TBS International, and many more. As they say, "if you can make it in New York, you'll make it anywhere..."

6. Over 100 law firms with maritime practices, including ship finance, securities, litigation, risk management, environmental compliance and more.

7. Over 20 leading investment banks and 20 commercial lenders covering the sector. These bankers make capital accessible and efficient.

8. Abundance of maritime professionals (protection and indemnity clubs, classification societies, shipbrokers, insurance brokers, maritime academies, etc).

9. The best pizza in the world.

10. The New York Yankees (baseball) and the New York Giants (American football).

These are compelling reasons to do business anywhere, but its energy and business climate conducive to success makes New York ideal. Add to that a robust welcoming maritime community, and you have the perfect ingredients for a successful, prosperous business opportunity.

Nymar is a member-based association of maritime companies in the greater metropolitan New York area whose goal is to promote the benefits of the region as a maritime business center. It hosts an annual seminar, and participates in many area conferences and events.

Call us today and take a bite of the Big Apple. As they say on Broadway: "New York, New York, it's a helluva town!"

Sincerely
Peter Shaerf
Chairman
Nymar (New York Maritime, Inc)
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