

# Seminar on Piracy and Armed Robbery at Sea



*“Piracy, the curse of maritime transport”*

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*What if changing maritime routes become  
a necessity?*

# Rerouting of ships to avoid the high risk area

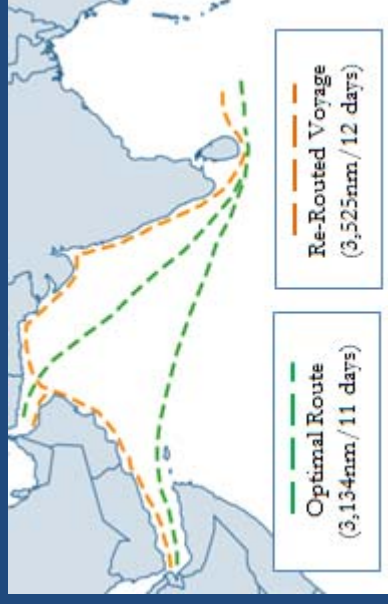
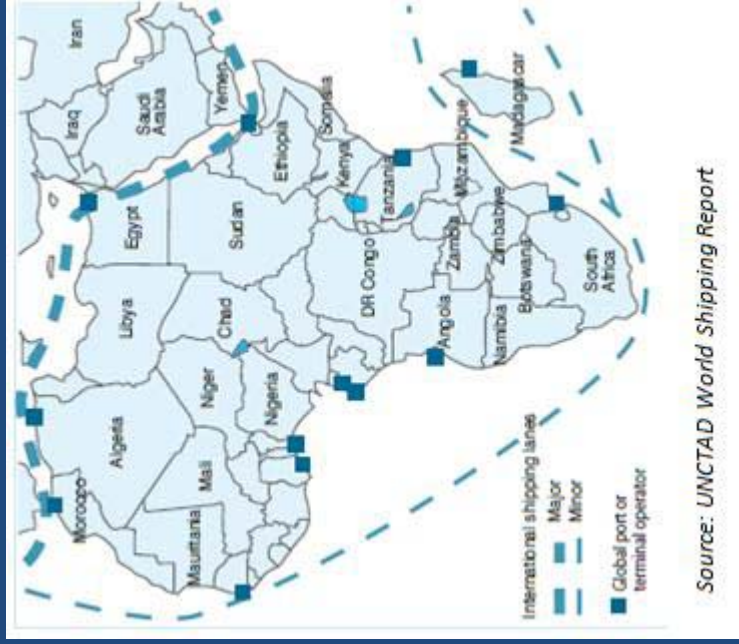


The option of rerouting:

- ❖ “Low and slow” vessels more likely to reroute
- ❖ 2 alternative routes to the Gulf of Aden: around the Cape of Good Hope and hugging the Indian coast line
- ❖ 10% to 30% of shipping services reroute vessels



# Rerouting: the 2 alternatives



## Drawbacks of rerouting



Despite reduced costs on some elements of the voyage (no Suez Canal fees, lower security costs), rerouting leads to:

- ❖ Increased operating costs
- ❖ Increased opportunity cost
- ❖ More vessels/equipment needed to provide the same service pattern
- ❖ Higher bunker, crew and equipment costs

# Rerouting via the Cape of Good Hope: Practical examples



- ❖ Tanker from Saudi Arabia to U.S: 2,700 additional miles.
- ❖ 26 days of voyage added to bulkers and tankers
- ❖ 17 days of voyage added to containerships
- ❖ \$100,000/day for a 10,000 TEU container carrier and \$955,000 for a VLCC

# Rerouting as yet another symptom of the wider piracy problem



- ❖ Rerouting is not a permanent solution to the problem of piracy, but rather a temporary measure
- ❖ Rerouting is an additional cost factor that strongly influences transport costs and distorts the global supply chain
- ❖ Rerouting does not guarantee that pirate attacks might not occur elsewhere (West Africa for example)

# What is needed in the short term?



- ❖ EU NAVFOR and other naval operations need to be strengthened and their coordination further improved
- ❖ Best Management Practices need to be applied by all ships
- ❖ Vessel Protection Detachments should be made available to ships transiting the high risk area
- ❖ Problems related to the use of private armed guards (certification, liability etc...) need to be effectively addressed.



# What is needed in the long term



- ❖ The EU should continue its efforts to stabilise Somalia and focus on state and institution building
- ❖ The ongoing and planned EU/EEAS initiatives are a step in the right direction: EU Strategic Framework for the Horn of Africa, maritime capacity building, EUTM training mission, humanitarian and development aid, infrastructure development, reform of the justice sector, increasing prison capacity, promoting alternative livelihoods for Somalis
- ❖ In conclusion, rerouting should not be allowed to become a necessity