



Julian Bray
Editor-in-Chief

Comment



Ships face perilous political high seas

Heightened global political instability has thrown up fresh risks for an industry already battling piracy and armed robbery

Just a few days ago, a Singapore-flag tanker had shots fired across its bow by Iranian navy craft. A week earlier, a Turkish ship was attacked by the Libyan navy, killing a crew member. And a few weeks before that, a Maersk Line-chartered boxship was summarily detained at gunpoint, again by Iran.

Meanwhile, the navies and diplomats of the US and China are squaring up to each other over freedom to navigate in the South China Sea, and merchant vessels from the Strait of Malacca to the Mediterranean face huge demands to make humanitarian rescues of migrants fleeing poverty and persecution in unseaworthy boats.

Around the world, ships are, quite literally, in the firing line.

MIDDLE EAST PRESENTS GREATEST RISK

The greatest risk at this moment lies, without doubt, in the waters of the Middle East, especially the Straits of Hormuz. Inflamed by the sectarian ground war in Yemen, the proxy war in which Iran and Saudi Arabia have been locked for decades, has flared up on the high seas.

A new dimension was seen when five Iranian Revolutionary Guard Corps patrol boats fired shots at the 46,105-dwt Singapore-flag products tanker *Alpine Eternity* (built 2009), forcing it to flee into the waters of the United Arab Emirates (UAE).

Iran claims the vessel was liable for damages to an Iranian-owned oil platform it reportedly collided

with in March. The Maritime and Port Authority of Singapore responded that Iran's actions were "a serious violation of international law" and called on them to investigate and prevent any future such incidents.

Iran's action echoed its well-reported detention by gunships of the 5,466-teu boxship *Maersk Tigris* (2014) in April over an ageing commercial debt. The vessel was later released after Maersk put up security.

The Pentagon described Iran's actions as showing "a pattern of harassment" as the US Navy temporarily escorted US-flag ships through the region.

Libya's navy claims its attack on the 5,100-dwt vessel *Tuna-1* (built 1997) off the port city of Derna was aimed at blocking Turkey's alleged supply of weapons to militants in the country. Turkey said it "strongly" condemned the attack and denied it is supplying weapons.

On the other side of the world, ships face as serious a threat in the longer term from the escalating standoff between the world's two political and military superpowers. The US military is considering sending vessels and aircraft close to the Spratly Islands chain in the South China Sea where China has been build-

SHIPOWNERS AND CHARTERERS WILL NEED TO SHOW ACUTE SKILL TO NAVIGATE THESE DIVERSE THREATS.

{VIEWPOINT}

What does shipping need to do to navigate in transparent waters?

The answer is a concerted compliance effort, writes **Alexandra Wrage**, president of TRACE International

Practically all consumer goods are, at some point, transported by sea. The shipping industry has the ability to connect and influence all corners of the world. Rose George, author of "Deep Sea and Foreign Going: Inside Shipping, the Invisible Industry that Brings You 90% of Everything", notes that the industry has "fuelled, if not created, globalisation".

But the commercial activities of shipping have often been shrouded. Flags of convenience (FOCs) have enabled owners to avoid applicable laws of, and scrutiny by, the ships' home countries. This traditionally opaque nature of the industry has made a shift to greater transparency slow. Fraud, bribery and other illegalities are endemic in some parts of the industry.

TIDE IS TURNING

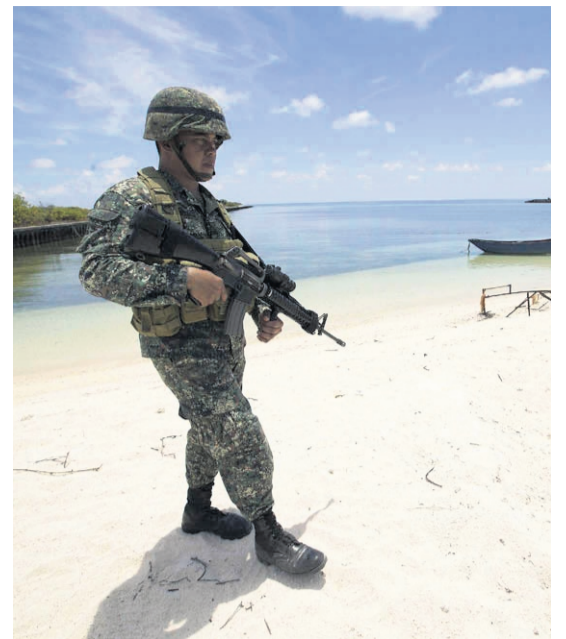
The compliance tide is shifting, however. Collective efforts by organisations such as the Maritime Anti-Corruption Network (MACN) have helped implement practical tools to eliminate corruption. The MACN has a vision of a shipping industry free from corruption. In conjunction with the Nigerian Ports Authority (NPA), the MACN launched the Electronic Ship Entry Notice (e-SEN), whereby shipping agents are able to submit and obtain notification approvals electronically. By eliminating the manual system, e-SEN reduces delays caused by instances of corruption — which



▶ **ALEXANDRA WRAGE:** 'Compliance should be embedded in the commercial activities that drive the shipping industry'. Photo: TRACE INTERNATIONAL

occur when payments are demanded so that vessels can dock and cargo unloaded and/or pass inspections.

Companies relying on the shipping industry to carry goods are becoming more aware of the threat of corruption within their transport chains. There is an increasing awareness that compliance with anti-corruption efforts is an important part of that commercial process. In fact, anti-corruption compliance can actually be viewed as its own separate commercial process. So important is the commitment to compliance that it should come as no surprise if companies refuse to engage third parties that cannot demonstrate this commitment.



▶ **POTENTIAL FAR EAST FLASHPOINT:** A Filipino soldier patrols a beach on Pagasa Island in the Spratly archipelago in the South China Sea, where China has embarked on land reclamation on reefs it says it owns. Photo: SCANPIX

ing structures and reclaiming land on reefs it says it owns.

The US intends to assert freedom of navigation within 12 nautical miles (22 kilometres) of the islands, to challenge China's attempts to extend its influence in a region that sees \$5 trillion of seaborne trade pass each year. At present those ships sail freely but that right risks being compromised.

None of these political hotspots will be easily resolved, and there will always be others that flare up to create dangers for shipping. But the current co-occurrence of issues presents a set of circumstances arguably more threatening worldwide than for many years.

Shipowners and charterers will need to show acute skill to navigate these diverse threats and the risks they cause, and give their full support to their crews at sea to ensure their passage is safe and secure. ■

Compliance practices

