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Security Association for the Maritime Industry (SAMI)

The Changing Face of Security at Sea


14th September 2015
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CEO
Security Association for the Maritime Industry



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The Changing Face of Security at Sea

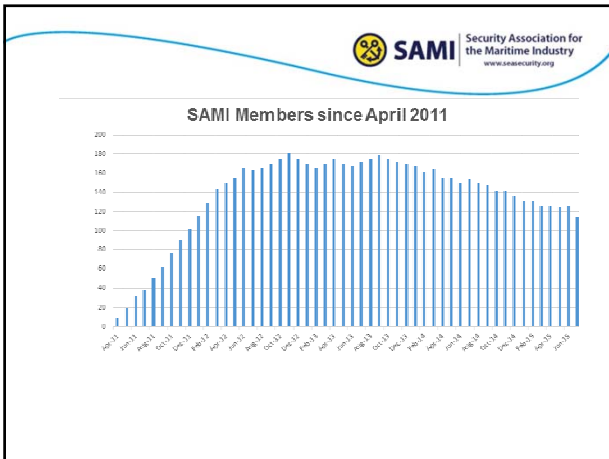
- Short introduction to the Security Association for the Maritime Industry (SAMI)
- Short history of security at sea
- Current status of the global commercial shipping fleet and the world's navies
- The new dynamic of security and who provides it.
- Uptake of private security by nations.
- What's next?

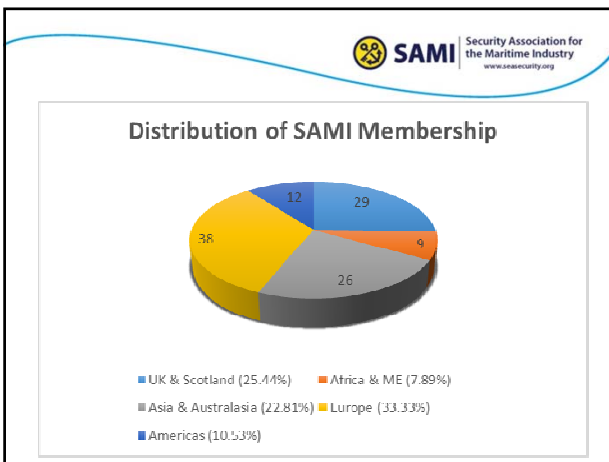


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SAMI

- **International** - 114 members from 35 countries
- **Independent** – Non Governmental Organisation and Not-for-profit
- **Impartial**
- **Integrated** into the Maritime Industry





History of Security at Sea

“he that commands the sea, commands the trade, and he that is lord of the trade of the world is lord of wealth of the world”

Sir Walter Raleigh

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History of Security at Sea






THE BRITISH NAVY
guards the freedom of us all



The life-line is firm
thanks to the
MERCHANT NAVY

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“Control of the sea by maritime commerce and naval supremacy means predominant influence in the world.”
AT Mahan




Most ships flew the flag of their national registries

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Post War Changes




Open registries were initially used to avoid increasing labour costs and alcohol prohibition



Containerisation significantly speeded up cargo handling, reducing costs




Revolutionised ship building technology

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Growth of Consumerism...

Impact on consumer spending/shopping behaviour: In 1991 there were just 7 categories accounting for 80% of consumer spending. These have expanded to 18 in 2008!


1991	2008
1. Food & Grocery	1. Food & Grocery
2. Clothing	2. Clothing
3. Footwear	3. Footwear
4. Consumer durables	4. Consumer durables
5. Home Linen	5. Expenditure on DVDs & VCDs
6. Movies & theatre	6. Home Linen
7. Eating out	7. Home accessories
	8. Accessories
	9. Gifts
	10. Take away/ pre-cooked/ RTE meals
	11. Movies & theatre
	12. Eating out
	13. Entertainment parks
	14. Mobile phones & service
	15. Household help
	16. Travel packages
	17. Club membership
	18. Computer peripheral & Internet usage

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European Navies decline 1995-2013

- French Navy 47% reduction
- German Navy 31% reduction
- Italian Navy 40% reduction
- Spanish Navy 50% reduction
- UK Navy 44% reduction


European Navies cut by 33%!*




Source: IISS Military Balance 2013

US Navies Optimised Fleet Response Plan 2014 – 4 US CBG at sea, 2015 and going forward 2 US CBG deployed.




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Increase of Naval Forces in SE Asia



- SE Asian nations are prioritizing spending on their navies and coastguards.
- Annual defence spending in SE Asia is projected to reach \$52 billion by 2020.
- The 10 nations of SE Asia are expected to spend \$58 billion on new military kit over the next five years, with naval procurement comprising a large chunk.


IHS Janes Defence Weekly

Meanwhile!

“The world’s [commercial] fleet has more than doubled in size since 2001,”



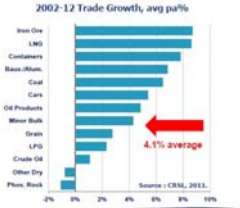
United Nations Conference on Trade & Development
Review of Maritime Transport 2013


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Shipping Market Overview | Clarkson Research

World Seaborne Trade

- Growth in world seaborne trade in last decade led by
 - Iron Ore
 - Containers
 - LNG
 - Coal
 - Vehicles
- Average per annum rate of around 4% per annum.





Commodity	Growth Rate (%)
Iron Ore	~8.5
LNG	~7.5
Containers	~6.5
Base Metal	~5.5
Coal	~4.5
Cars	~4.5
Oil Products	~3.5
Minor Bulk	~2.5
Grain	~2.5
LPG	~2.5
Crude Oil	~1.5
Other Dry	~1.5
Flm. Rock	~1.5
Average	4.1%

Source: CEIS, 2013.


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Increase in Global Trade


MEDIA RELEASE

Paris, 27 January 2015

Global trade: International freight transport to quadruple by 2050

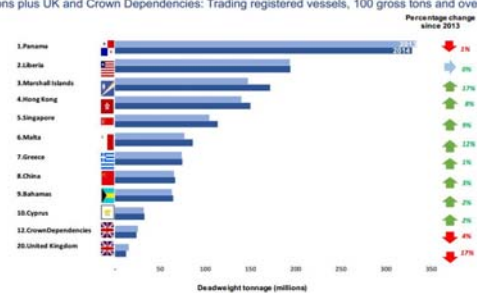
Shifting trade patterns increase transport distances by 12%, North Pacific surpasses North Atlantic as main trading route

In the face of shifting global trade patterns, international freight transport volumes will grow more than fourfold (factor 4.2) by 2050. Average transport distance across all modes will increase 12%.


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Today over 80% of the global commercial fleet is flagged with Open Registries

Top 10 Nations plus UK and Crown Dependencies: Trading registered vessels, 100 gross tons and over



Rank	Nation	Deadweight tonnage (millions)	Percentage change since 2013
1	Panama	212	2%
2	Bahria	180	2%
3	Marshall Islands	150	27%
4	Hong Kong	140	8%
5	Singapore	130	9%
6	Malta	120	12%
7	Greece	110	2%
8	China	100	2%
9	Bahamas	90	2%
10	Cyprus	80	2%
11	Crown Dependencies	70	4%
12	United Kingdom	60	17%


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Most Open Registries don't have ocean going navies.

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Iraq 2003 "security" takes on a new meaning




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Changing face of security

- Origins of the private security firm are found in 1965 with establishment of "Watchguard" by David Stirling (founder of the SAS), to train Arab & African security units.
- US Govt employed 155K contractors in Iraq and over 200K contractors in Afghanistan.
- In 2006 UK Govt employed almost 21K contractors to support 7.2K service personnel in Iraq.
- In 2008 UK Govt spent £51m on Private Military Companies & Private Security Companies in Iraq/Afghanistan.
- Approximately as many contractors (6,800) as US troops were killed in Iraq/Afghanistan by Nov 14.
- US DoD is the largest employer of private security services globally.
- In the UK and US there are twice as many private security guards as there are police officers.

The Week 14 Feb 15

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Reduced financial cost and political risk to governments

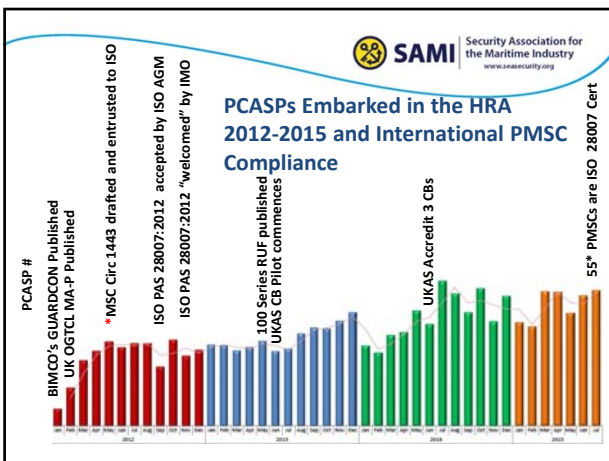


Growing global acceptance of Private Security

"Maritime security is best achieved by blending public and private maritime security activities on a global scale into an integrated effort that addresses all maritime threats."

The National Strategy
for
Maritime Security

September 2009



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EUNAVFOR



"Armed guards on ships have a 100% success rate."
R Adm Duncan Potts
Comd EUNAVFOR



"Armed guards are part of the solution, not part of the problem."
Capt Phil Haslam
Chief of Staff EUNAVFOR


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What's next?




177 Recorded Incidents so far in 2015

- Attempted Attack
- Boarded
- Fired upon
- Hijacked
- Suspicious vessel

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Spectrum of maritime crime



The diagram shows a vertical spectrum of maritime crimes. At the top is 'Maritime Cyber Crime'. Below it are 'Pilfering in Ports', 'Maritime Fraud', 'Stowaways', 'Smuggling', 'Trafficking', 'Piracy & Robbery at Sea', and 'Terrorism'. At the bottom is 'Maritime Cyber Crime' again. The background of the spectrum is a rainbow gradient.


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Technological Solutions



Underwater Surveillance Mod
Sonar threat detection




Surface Surveillance Module
360° radar & IR surveillance



Surface Deterrent Module
Threat warning & determent




Sub Deterrent Module
Clear warning & determent


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Challenges & Opportunities

- Piracy – acceptance and take-up of standards (ISO 28007), Floating Armouries across HRA.
- Piracy/armed robbery at sea in GoG, SCS (possibly a High Seas Counter Piracy model, whilst Coastal States develop TTW models).
- Utilisation of non-kinetic solutions to deter ship attack.
- Providing innovative and effective solutions across the spectrum of maritime security (maritime migrants, Maritime Cyber Security).
- Integration of personnel and technology to improve maritime security.
- Exploit the adaptability and nimbleness of industry to find pragmatic security solutions.
- Professionalise the private maritime security industry.
- Opportunities - Over the horizon – Sustainability & Capacity Building, Public Private Partnerships (PPP)?


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Summary

- Developments across the maritime industry in the last 100 years have been enormous, the only constant is change!
- The inexorable growth in global demand induced by growing world population and a rise in the middle class/consuming category means more ships, bigger ships; more ports, bigger ports.
- The paradigm of security and who provides it is changing.
- Private maritime security is not just about armed guards on ships, it is about mitigating the spectrum of maritime crimes and threats and providing a professional service to the maritime industry.
- Private Maritime Security is a phenomenon that is here to stay; SAMI aim to facilitate a good understanding of this new and evolving industry and how it can be part of the solution and not part of the problem.

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“Maritime Security seems incredibly simple, but is in fact astonishingly complex.”

Questions?

www.seasecurity.org enquiries@seasecurity.org
