

# ANNUAL REPORT

2021





# Foreword

*Teresa Peacock joined Dryad Global as a Non-Executive Director in January 2021.*



A year like no other. In 2020, the global economy endured its deepest recession in 74 years, as the COVID-19 virus pandemic upended lives and livelihoods. We already know that we will feel the reverberations of the Novel Coronavirus for months and years to come.

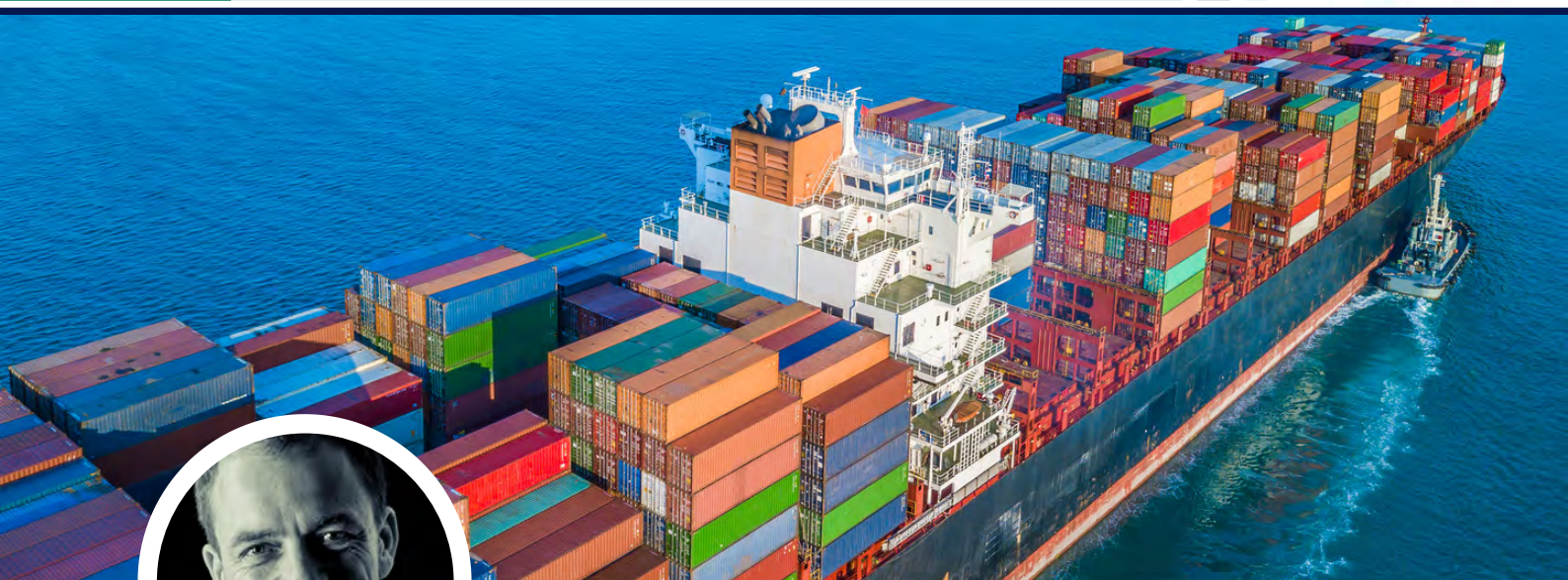
As we face the unknown challenges of the economic and geopolitical reverberations of the global pandemic, it is vitally important that we understand and plan for the continuing human toll that maritime crime and impeded sea transits will continue to have on crews, seafarers and their families.

The vast progress made at state and international levels to address economic disparity, opportunistic neo-colonialism, humanitarian crisis, internally displaced peoples, sea migrancy, ethnic conflict and political instability will face unprecedented challenges in 2021 and beyond.

It is vital that now, more than ever, we come together as an industry to effect and facilitate initiatives that bolster and position the shipping industry so that it is empowered to tackle these looming challenges head on. Whether head of state, ship captain or dock worker we must ensure that we step into the unknown months ahead as one, united by a common goal; to ensure Safety Of Life At Sea and to ensure that the barriers to achieving SOLAS are identified and overcome.



Managing Director Spinnaker



### *A message from Phil Diacon, CEO, Dryad Global ...*

Supply chains across the world have been affected by the upheaval created by the Covid-19 pandemic, though perhaps not in the ways that were predicted at the outset.

Demand for the transport of consumer goods and trade commodities have grown and the shipping industry has had to adapt in order to meet this demand. However, unlike other supply chains, shipping is exposed to criminal activity conducted at the extremes or often beyond the jurisdiction of law enforcement, which puts seafarers and assets at risk.

Where law enforcement is weak and governance is poor, criminals will seek to exploit opportunity. This is acutely visible in West Africa, where maritime crime poses the greatest threat to commercial shipping operations and the onshore security of any region in the world. Understanding and implementing measures to mitigate against these security risks is essential for commercial shipping companies who want to ensure the safety of their crew and protect their profitability. These complex and sometimes hostile trading environments do not always require complex security solutions. Security is like any other specialism, the output can, and should be clear, understandable and actionable.

As an independent maritime intelligence company, we haven't got an agenda to up-sell maritime security guards, security escort vessels or insurance where it isn't needed. This unique market positioning serves us in two ways. Our clients can depend on us to provide them with truly independent and augmentable decision-making support tools. It also marks our voice out in the industry's global maritime security conversation as one which is dedicated to ensuring the concerns of the sector are heard on the international stage.

As we look to 2021 and beyond, we remain resolute in our commitment of lobbying for security sector reform and representing the interests of mariners and commercial operators alike. I extend my sincere thanks to the entire Dryad Global team for their dedication and drive, not only in their service of our clients but also in their service of the wider shipping community.





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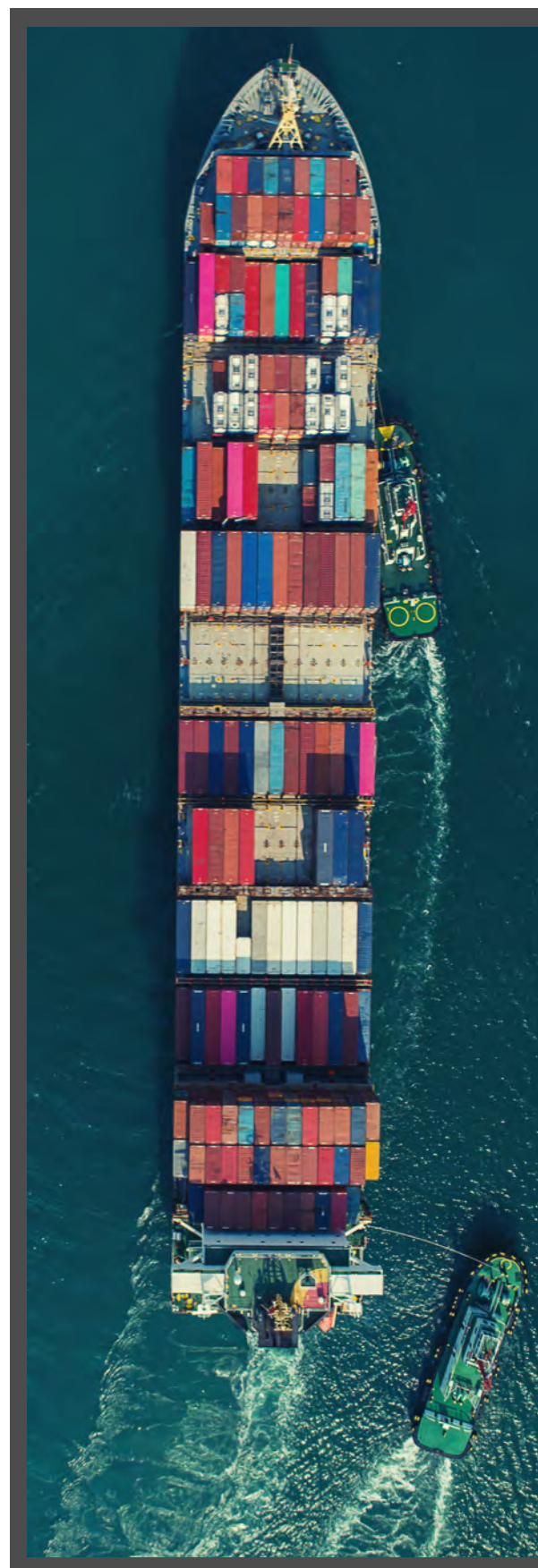
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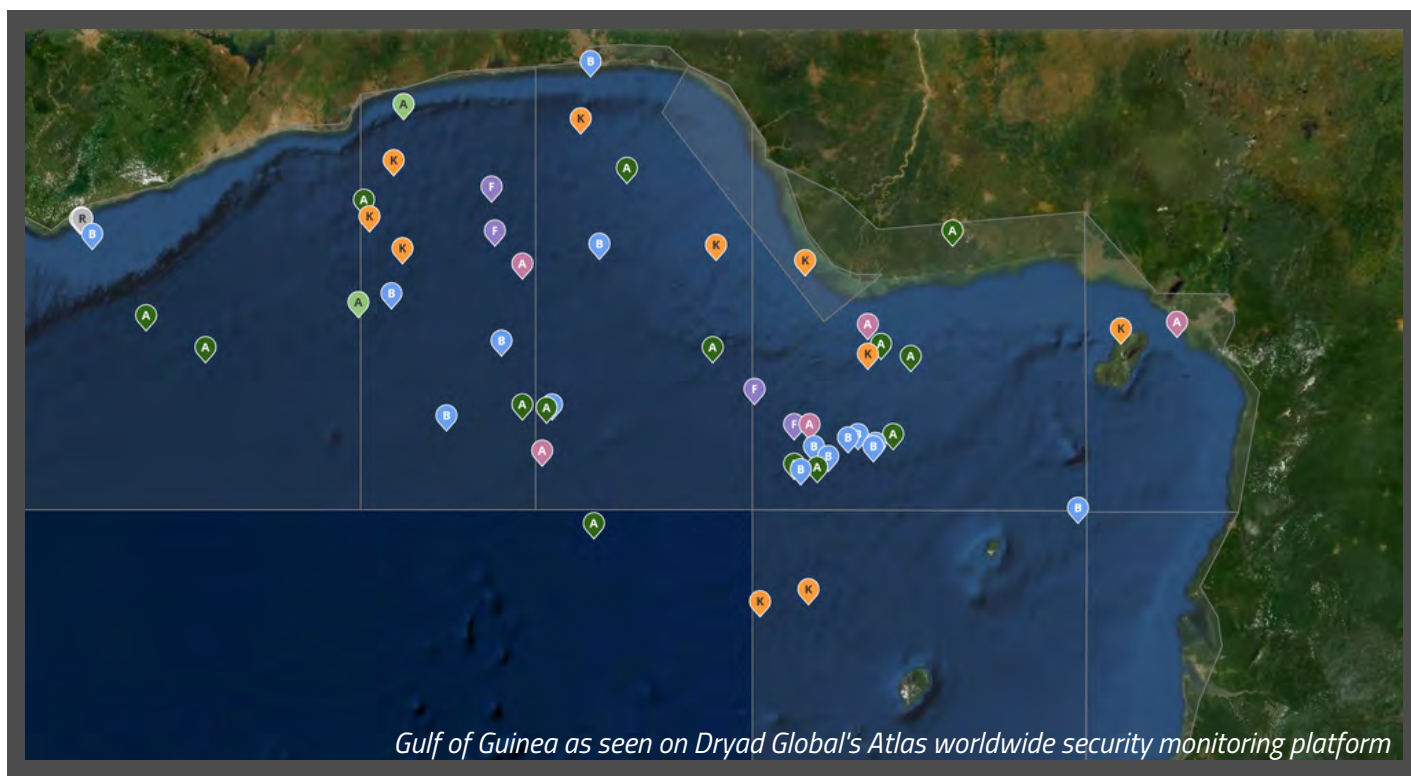
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DRYAD GLOBAL TEAM



# WEST AFRICA



How effective have regional frameworks been in resolving piracy within West Africa to date?



Analysis by  
**Casper Goldman**  
Dryad Global

The West African maritime security situation is at breaking point. Seafarer's lives are at risk from ever-increasing violent attacks and Nigerian pirates are operating with increased impunity.

Maritime criminals have honed their business plan; they know the price point of insurers and the value of a crew member's life. In turn, shipowners have weighed up the cost of improved security measures against insurance premiums and know where their margins lie. Operating in the Gulf of Guinea continues to present a serious and persistent threat to the safety and security of crews and vessels. 2020 saw 136 seafarers abducted in 27 incidents. Evidence also shows that attacks are becoming increasingly violent – the use of guns was reported in over 80% of kidnapping incidents last year.

“Evidence also shows that attacks are becoming increasingly violent – the use of guns was reported in over 80% of kidnapping incidents last year.”

Additionally, kidnappings are happening farther offshore and larger groups of seafarers are being abducted. Nation states in West Africa are overwhelmed; like the rest of the world, they are dealing with the effects of a global pandemic set against long-term economic and societal instability overseen by endemic corruption at the highest levels. Change must be home-grown, but the international community still has a part to play in being accountable for its actions and in supporting and empowering local security forces through knowledge sharing and partnerships.

Several regional frameworks have been implemented to solve piracy in West Africa. These include the Yaoundé Code of Conduct, which promoted information sharing and reporting, interdicting suspicious vessels, and ensuring apprehension and prosecution; the Lomé Charter, which was signed by 36 countries within the framework of the African Union, and created a legally binding regional commitment to the combating of maritime crime and piracy via several measures, including harmonising national legislation, guaranteeing resources to maritime security and safety, and state responsibility to patrol the anchorage areas, the EEZ, and the continental shelf;



*BMP West Africa introduces recommended practices and procedures for vessels operating in the Voluntary Reporting Area as depicted on UKHO Chart Q6114 and SHOM Chart 8801CSD.*

and the ECOWAS Integrated Maritime Strategy, which focuses on interagency collaboration at the national level to bring together the wide variety of stakeholders involved (e.g. the EU, UNODC Germany, Denmark, regional security and defence, law enforcement, humanitarian and social affairs, shipping, and port authorities).

However, while the Gulf of Guinea remains the most dangerous environment for commercial maritime operations, it remains vital that implementation of these supranational measures be held to account. Cooperation between coastal states is especially pertinent considering the increasingly sophisticated and frequent attacks occurring on the high seas, where effectively addressing piracy is beyond the unilateral capacity of most regional states.

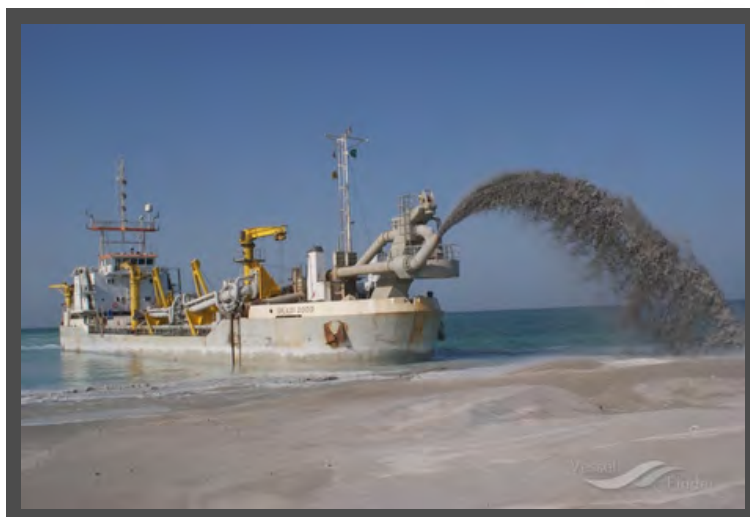


“ While the Gulf of Guinea remains the most dangerous environment for commercial maritime operations, it remains vital that implementation of these supranational measures be held to account. ”

When, and indeed if, fully implemented, these frameworks have the potential to significantly reduce maritime crime and piracy in West Africa, yet positive rhetoric is still to be met with substantial implementation and progress.

For example, in the Yaoundé Code of Conduct, parties committed to strengthen and harmonise legislation to prevent pirates from finding more lenient treatment across jurisdictions, yet Nigeria remains the only country that has adopted the appropriate laws. The European Union committed to its “Gulf of Guinea action plan” in 2014 yet only committed to a pilot case of its ‘Coordinated Maritime Presences’ concepts 7 years later, at the beginning of 2021. The need for effective and speedy implementation of the agreed regional frameworks remains urgent.

On the 2nd of January 2020, in an incident off the coast of Nigeria, pirates managed to get the upper hand in a firefight with security personnel embarked on the oil dredger Ambika and were able to abduct three crew members, killing 4 military armed personnel.



Oil Dredger Ambika, source: Vessel Finder

No regional frameworks currently make appropriate provision for the integrated and controlled involvement of the Private Maritime Security sector.

Requisite legal frameworks would significantly enhance the security of the waters of the Gulf of Guinea. Though positive rhetoric and well-intentioned programs are abundant in the Gulf of Guinea, the crucial challenge is turning the tide of poor implementation into substantive action and concrete results.

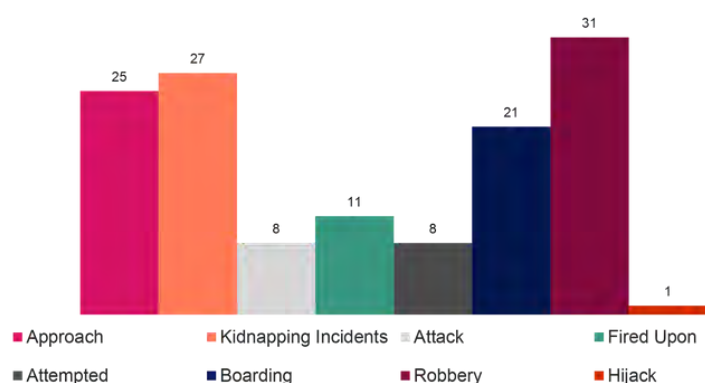
**Learn more about Dryad Global's Security Team & Escort Vessel Brokerage Service**



# WEST AFRICA

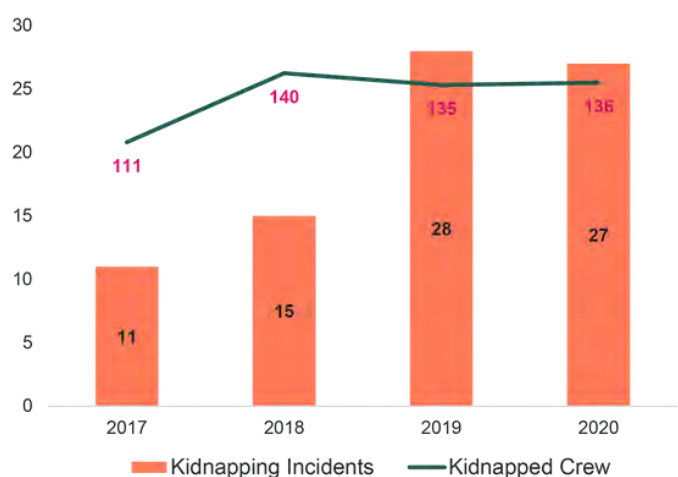
## OVERVIEW

### ALL INCIDENTS 2020



Incidents of low-level maritime crime, particularly robberies (most often in port and at anchor), continue to be the most prevalent incident type recorded throughout West Africa. Limited ISPS implementation and increasing rates of economic deprivation are likely to result in a partial increase of similar incidents into 2021. Incidents of kidnap for ransom remain the most significant risk to maritime operators throughout the Gulf of Guinea.

### KIDNAPPED CREW & INCIDENTS

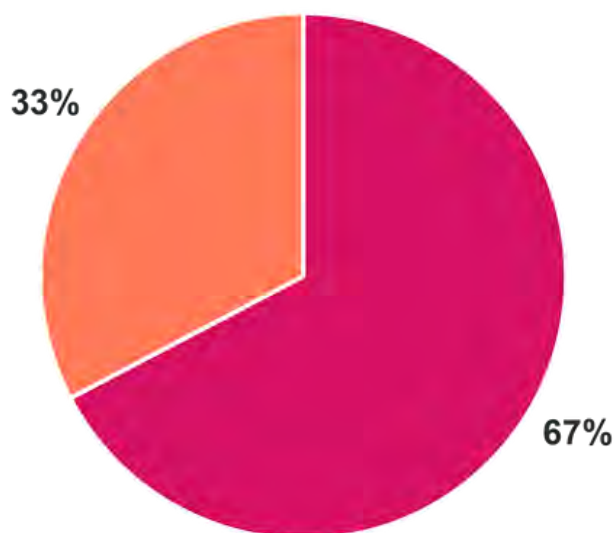


Incidents of kidnapping for ransom of offshore personnel remain unacceptably high within the Gulf of Guinea, the global heartland of this issue. Kidnapping and ransom are complex operations for criminal elements requiring significant resources and freedom of movement both on and offshore. Volumes of personnel kidnapped from vessels is indicative of pirates operating with a substantial degree of capability and intent in the Gulf of Guinea.

*\*See appendices for incident classification criteria & data notes.*



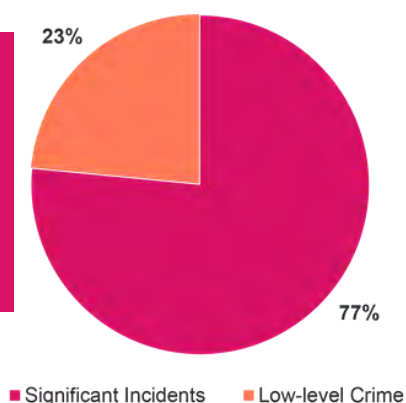
# INCIDENT OUTCOMES 2020



■ Offshore Success ■ Offshore Fail

Far too often successful attacks are assessed in light of pirates achieving their intended aim. This approach fails to account for the prevalence of issues that continue to have potentially significant commercial and safety impacts on vessels and crews. An analysis of all offshore incidents that can reasonably be said to have compromised vessel or crew safety within 2020 strongly indicates that in most offshore incidents vessel safety was tangibly at risk of damage or loss, irrespective of whether pirates failed to achieve their aim of kidnapping crew. The prevalence of successful attacks is indicative of impotent regional counter-piracy initiatives and a worrying lack of mitigation operations for commercial operators.

## INCIDENT SEVERITY 2020



■ Significant Incidents ■ Low-level Crime

The dominance of incidents of significant maritime crime and piracy in comparison to low complexity and opportunistic incidents such as robbery, is indicative of a deeply systemic issue within the Gulf of Guinea. Incidents of serious maritime crime and piracy continue to be underpinned by complex onshore conditions, including corruption, poor governance, and weak legislative frameworks, and are fuelled by limited counter-piracy resources and poor coordination.

*\*See appendices for incident classification criteria & data notes.*

# WEST AFRICA



*Fighters with the Movement for the Emancipation of the Niger Delta (MEND), pictured in 2008.*

## What is the case for international intervention in supporting maritime security within West Africa?



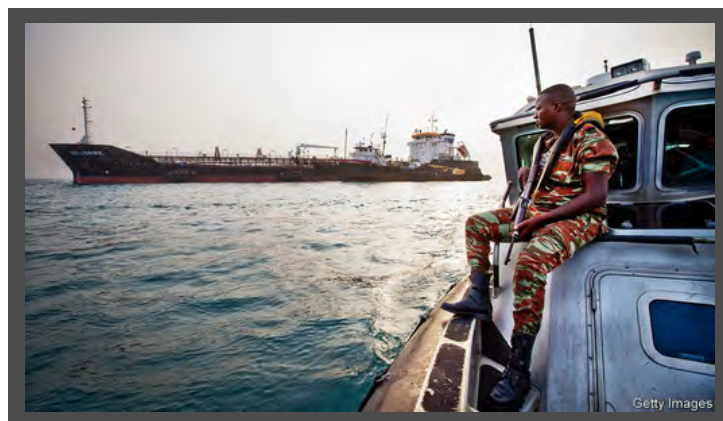
Analysis by  
**Shannon  
McSkimming**  
Dryad Global

In the Gulf of Guinea there were 132 incidents in 2020. These included robbery, kidnapping, violent armed boarding and hijack.

In over 80% of incidents weapons were used. In comparison, only 36 incidents occurred in the entire Indian Ocean, of which none were tangibly linked to issues of piracy.

The number of personnel and vessels impacted by kidnapping incidents in the Gulf of Guinea have been increasing since 2017, with 140 personnel kidnapped in 2018, 135 kidnapped in 2019, 136 in 2020 and 15 kidnapped and 1 killed so far in 2021.

“Several lower-level capacity building initiatives are underway at the institutional level but have demonstrated limited impact so far.”



Security escort vessel, Lagos 2019.

What is the threshold that needs to be crossed for the international community to intervene?

International intervention is largely called for to support the fledgling efforts of regional states, particularly in the areas of offshore enforcement, capacity building, and onshore development. Currently in West Africa, naval operations are predominately comprised of regional states operating throughout vast areas of open water, with limited resources and inadequate offshore capability.

International support is limited to a few states with post-colonial ties to the region. Several lower-level capacity building initiatives are underway at the institutional level but have demonstrated limited impact so far.

In East Africa, the comparison between naval operations are stark. Piracy off the coast of Somalia has largely been obliterated thanks to large-scale offshore security responses in combination with onshore development and community engagement programs that are supported by major international organisations. However, large international organisations such as the UN, NATO and EU are conspicuously absent in offering tangible resolutions to piracy in West Africa, with only the EU offering to conduct a maritime security pilot program and only then several years after the launch of its Gulf of Guinea Action Plan.

The potential for an international naval response in West Africa is complicated by requirements for approval from each of the many littoral countries in the region.

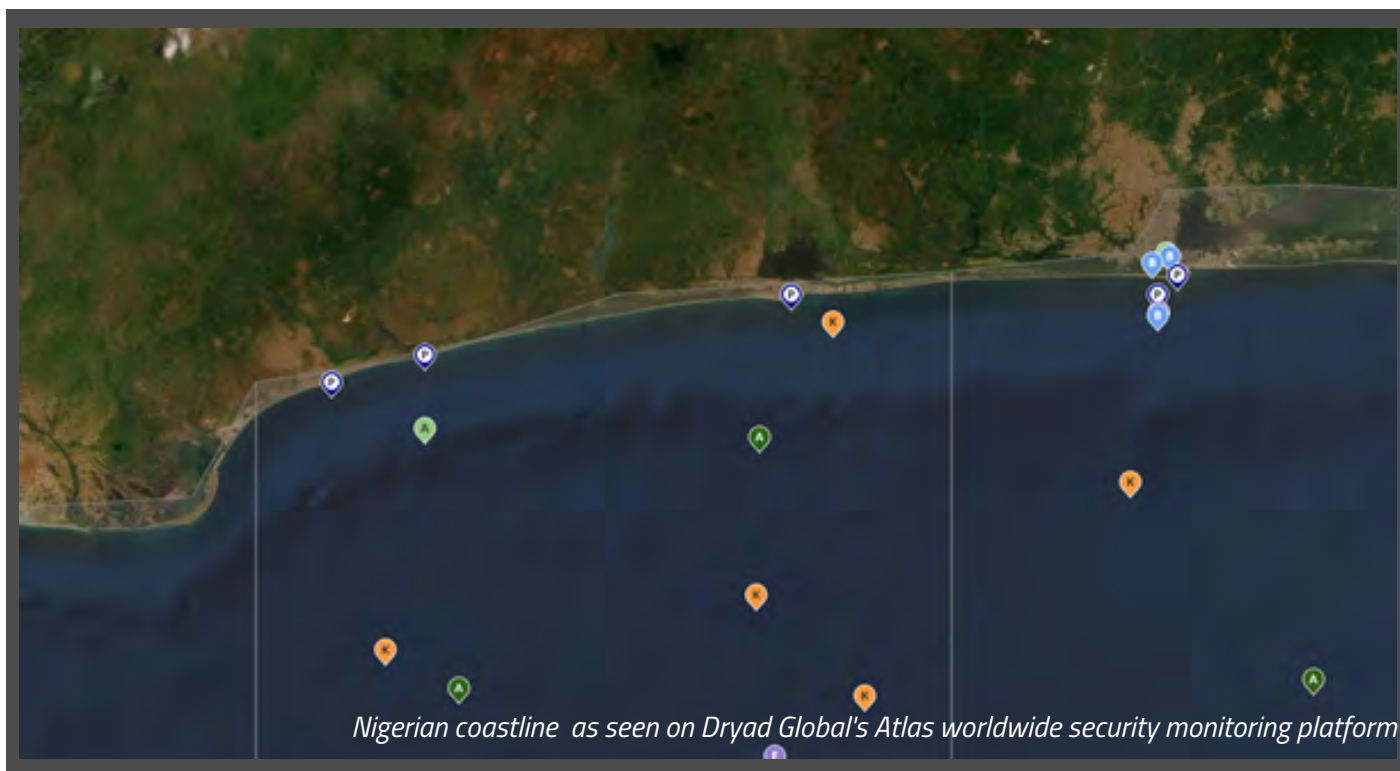
Contrastingly, Somalia has a large coastline with few neighbours. International partners should, therefore, aim for a more supportive role, instead of taking over full responsibility.

The international community needs to provide the requisite leadership and assistance to the Gulf of Guinea states and to respond with programs of support that pay attention to the onshore crises that underpin piracy as well as the offshore piracy problem.

The decision for international intervention is a balance between national interest and the often-difficult moral component. Too often comparisons are made between the volumes of trade in the Horn of Africa and that of West Africa, with the comparatively low volume in the latter held as a reason for the lack of international naval and organisational investment.

**Such arguments are simplistic and reduce the value of mariners lives to an equation of trade value.**





## Is Nigeria adhering to its international responsibilities in its fight against piracy?



Analysis by  
**Casper Goldman**  
Dryad Global

If there is an epidemic of piracy in the Gulf of Guinea, then Nigeria is undoubtedly the epicentre.

Comparisons between piracy off the Horn of Africa and that of the Gulf of Guinea are common but ultimately of limited benefit. The principal difference being that Somalia, as a failed state, was largely exempt from its legal and moral obligation to provide security within its waters.

By comparison, Nigeria is a considerably more developed state with the largest economy in Africa. The difference between the path to piracy and the capacity to act could not be more profound. Despite this, Nigeria remains the regional frontrunner in combatting piracy.

“Programs aimed at tackling the root of the issue through social-economic coastal development and community regeneration are limited.”

Nigeria continues to implement programs in support of its strategy aimed at decreasing piratical opportunity through enhanced resources and increasing cost through strengthened legislation. Thus far, however, programs aimed at tackling the root of the issue through social-economic coastal development and community regeneration are limited. These types of programs are especially important because they prevent effective counter-piracy policy from resulting in a transition of criminal activity towards a different domain or the re-emergence of piracy elsewhere.

As part of the non-binding Yaoundé Code of Conduct and the binding Lomé charter, Nigeria has several international obligations. This includes investment in equipment, operations and training to improve maritime security and safety. Nigeria launched its Deep Blue Project (DBP) in 2019, which aims to address insecurity and criminality in its territorial waters and EEZ through \$195 million in resource investments.

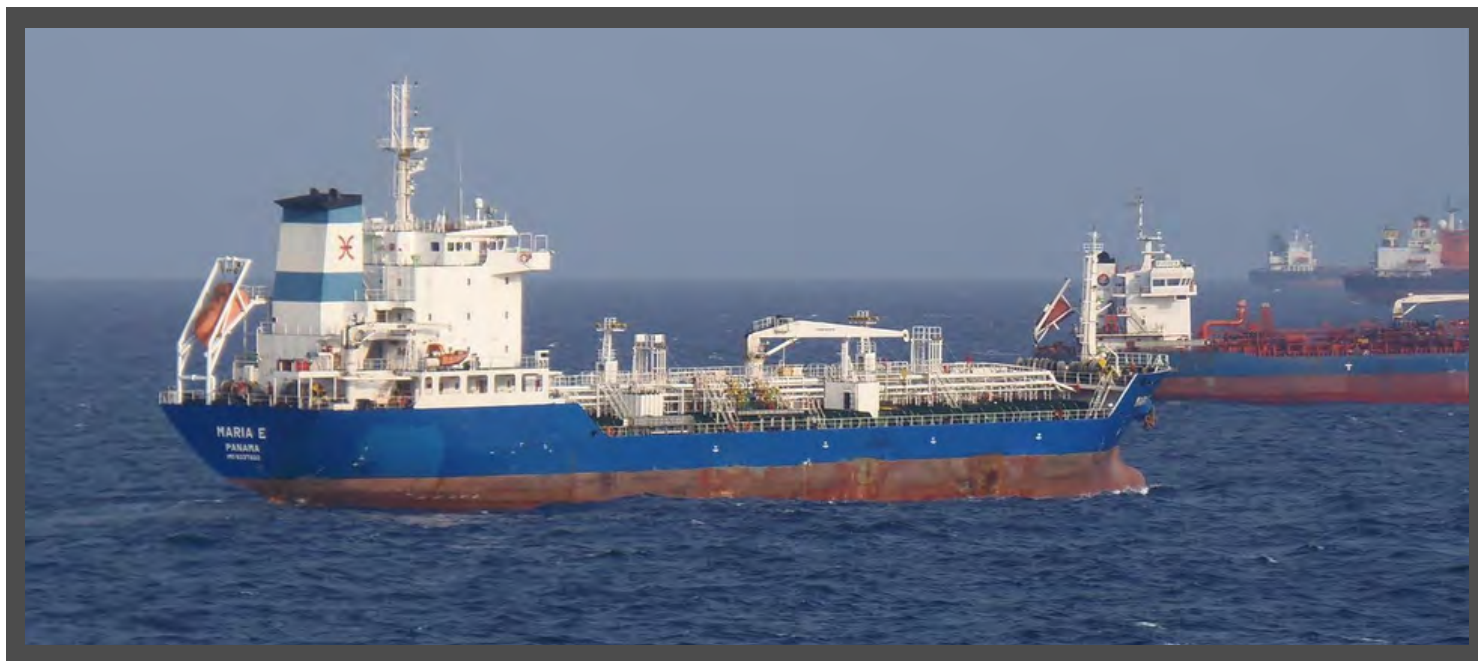
If implemented in the expected timeframe the DBP is likely to lead to a reduction in piracy in 2021.



Nigerian President Muhammadu Buhari recently replaced the heads of his armed forces.

Indeed, recent announcements by NIMASA that it plans to deploy DB LAGOS and DB ABUJA with 8 fast Interceptor attack boats as part of its plans to resource the Lagos SSA on a non-commercial basis are positive. Another obligation is to harmonise its national legislation with relevant international legal instruments. The Nigerian government has given effect to this requirement through the SUPMOA (Suppression of Piracy and other Maritime Offences) act 2019, which aims to suppress piracy, armed robbery, and other unlawful acts in the maritime domain. These crimes become punishable with life imprisonment and payment of fifty million Naira (roughly £100k), in addition to restitution to the owner.

**Unfortunately, whilst strong on rhetoric, Nigeria’s efforts to combat piracy are, thus far, short on substance.**



Hijacked vessel Lianpengyu 809 became a mother ship for West African pirates which was used to attack the MT MARIA E.

The prosecution of a private company involved in the transfer of a ransom payment as the first conviction under SUPMOA is symptomatic of a wider trend in which the Nigerian government appears more focused on holding the commercial balance of power over third-party security providers than combating piracy.

Recently, President Buhari ordered the Nigerian Ports Authority (NPA) to dismantle the privately-run Security Anchorage Area and cancel the commercial contract facilitating its operation, referring to it as a 'threat to national security', despite the anchorage effectively being operated by the Nigerian Navy.

The NPA maintains that commercial maritime fleet transiting through Nigerian Territorial water should rely solely on the Nigerian Navy for its protection, yet expressly forbids the embarkation of armed security including Nigerian Naval personnel.

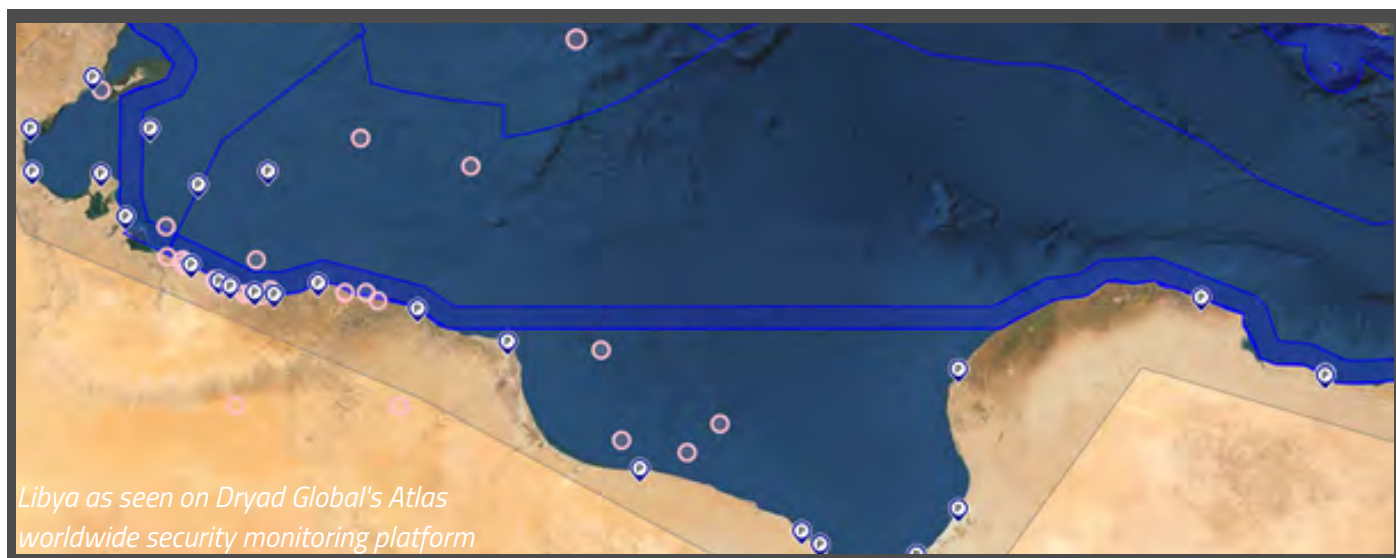
In support, the Nigerian government has issued an MOU to 17 security companies allowing them to cooperate with the Nigerian Navy to arrange armed security escorts for commercial vessels whilst expressly forbidding the use of private security within Nigerian waters. With some vessels continuing to embark guards, albeit Nigerian Navy personnel and others not, this is far from an opaque policy.

Indeed it has created a situation of legal ambiguity that stands only to benefit Nigeria as it chooses when and where to apply these laws. Nigeria must strike a balance between restrictions for the sake of national security and creating space for third-party security providers to complement the Nigerian Navy's security activities in support of commercial operations.

**The current restrictions serve only to complicate the process of implementing appropriate security measures.**



# LIBYA



*Libya as seen on Dryad Global's Atlas worldwide security monitoring platform*

## Ten years of conflict: will Libya's new government succeed where others have failed?



Analysis by  
**Belle Davenport**



&  
**Shannon McSkimming**  
Dryad Global

In the ten years since the Arab Spring began, Libya is slowly beginning to emerge from crisis. In the face of ongoing foreign involvement, Libyans are seeking a home-grown solution to bring their country out of its darkest days.

Whether the newly elected Prime Minister and Presidential Council has the clout to limit foreign meddling is yet to be determined.

Throughout 2020, Libya was a complex trading environment that required considerable pre-transit due diligence. The complexity of the onshore security situation is, however, held in stark contrast to the relatively benign maritime domain.

The onshore security narrative within Libya continues to be dominated by the rivalry between the Government of National Accord (GNA) and the Libyan National Army (LNA).

*“Turkish involvement has increased since the ceasefire agreement in October 2020, predominately in the maritime region, and is likely to continue for the short to medium term.”*

While Islamic State actors remain present in Libya, although significantly decreased in numbers and operational capability compared to recent years, foreign involvement is ongoing. In addition to other state and non-state actors, Turkey and Russia are the most involved, backing the GNA and LNA respectively.

The 5+5 Joint Military Commission discussions in collaboration with the United Nations Support Mission in Libya and the Libyan Political Dialogue Forum (LPDF) have made substantive progress in brokering cross factional agreements, including the exchange of prisoners, and reopening of oil and port infrastructure.

The LPDF selected an interim Prime Minister and 3-person Presidential Council in Geneva on 5th January. The selection of an Interim Prime Minister and Presidential Council is promising for Libya because it demonstrated that the LPDF has sufficient independence to make a somewhat unanticipated decision – it selected individuals without strong political backing in the middle ground between the LNA and the GNA.

Selecting some of the least contentious candidates will likely not provoke conflict in the short term and has been broadly supported and welcomed throughout Libya. It remains to be seen whether this selection will reignite conflict or assist in advancing progression towards a peaceful solution.

Maritime risk in Libya continues to be significantly lower than risk onshore. Notwithstanding humanitarian concerns in the form of migratory traffic, the risk is primarily limited to the no sail zone offshore off Derna.

There have been 3 vessels detained for entering this restricted area since December 2020. All vessels are advised to remain at least 60nm offshore when transiting this region. Following the official ceasefire agreement in October 2020, force majeure was lifted at all Libyan oil ports and terminals aside from Sirte and Derna and export resumed.



*An oil refinery in Libya's northern town of Ras Lanuf.*



*Armed security patrols protect Libya's oil refineries.*

The October ceasefire agreement has been mostly adhered to since the signing, and clashes have not caused significant disruptions to commercial operations in Libya in the past 4 months. Disruptions that did occur stemmed from three main factors: deterioration of infrastructure during the blockade requiring maintenance work, low key rival faction disputes interfering in operations and flow supply, and salary disputes resulting in port closures.

These factors whilst important, are not assessed to pose a sustained and serious risk to wider maritime security and commercial operations.

Temporary disruptions are likely to remain common in the short to medium term. Turkish involvement has increased since the ceasefire agreement in October 2020, predominately in the maritime region, and is likely to continue for the short to medium term. However, they are unlikely to significantly impact commercial operations, particularly in low and moderate risk ports throughout 2021.

Libya's newly elected interim government promises to unify the country and hold democratic elections by the end of 2021.

Despite the breakthrough in creating this transitional government, Libyan's remain cynical for the future following the previous ten years of conflict. The transition to democratic governance will be complex and will likely involve continued conflict for some time.

If the transition is successful, over time the security risk onshore will decrease. In the meantime, the security situation in Libya remains the highest risk onshore, though there are risks in the maritime environment, particularly in the short to medium-term.

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# LIBYA



In the ten years since the Arab Spring began, Libya is slowly beginning to emerge from crisis. In the face of ongoing foreign involvement, Libyan's are seeking a home-grown solution to bring their country out of its darkest days. Whether the newly elected Prime Minister and Presidential Council has the clout to limit foreign meddling is yet to be determined. Throughout 2020, Libya was a complex trading environment that required considerable pre-transit due diligence. The complexity of the onshore security situation is, however, held in stark contrast to the relatively benign maritime domain.

## RIVAL ADMINISTRATIONS

The GNA and the LNA are competing for power in Libya.

### Government of National Accord

Leader: Prime Minister Fayez al-Sarraj

Based in Tripoli

Recognised by the UN

### Libyan National Army

Leader: Khalifa Haftar

Based in Tobruk

Backed by the House of Representatives



The conflict has become a proxy war. Foreign states support both sides to defend ideological, economic and national security interests.

## GEOPOLITICAL CONCERNS



Libya's neighbours face their own social, political and/or economic issues that could put them at risk of Islamic extremism if Libya becomes a sanctuary for Daesh



The Libyan conflict has created a vacuum where illegal trafficking and migration can thrive. This creates a humanitarian crisis as people attempt the treacherous journey across the Mediterranean to Europe



The networks that facilitate illegal trafficking and migration use the same routes to smuggle contraband, weapons and drugs. If Daesh gain control of these routes they would gain a significant revenue stream



The Libyan conflict has created a "double-barrelled existential crisis" for the European Union. The increased number of migrants attempting to cross the Mediterranean has seen thousands die and increasing nationalism in Europe



The EU's inaction over the Libyan conflict is seen by some as an indication that the EU is disinterested in engaging in geopolitics that does not directly benefit the block

# INDIAN OCEAN



## Will a Biden Presidency lead to greater maritime security in 2021 within the Persian Gulf?



Analysis by  
**James Greer**  
Dryad Global

Anticipating the Biden Administration's Iran strategy is crucial for understanding future risks to maritime operators in the Persian Gulf.

Though the new U.S. Administration has officially offered to return to compliance with the Joint Comprehensive Plan of Action (JCPOA), otherwise known as the Iran Nuclear Deal, this is unlikely to happen anytime soon. Not only does Biden have insufficient bipartisan political capital to end the extraterritorial sanctions imposed by former President Trump, the original treaty also had many pitfalls that will take time to address and re-negotiate. While it is within the interests of all parties to return to the terms of the JCPOA, Iran will likely seek to leverage its aggrieved status in return for a lifting of sanctions. Moreover, Iran rejoining the JCPOA does not mean that it will cease its longer-term goal of removing U.S. influence and forces from the region.

“*Since May 2019, fewer than 20 vessel detentions and seizures have been attributed to Iranian activity in a region that sees some 33,000 transits annually.*”

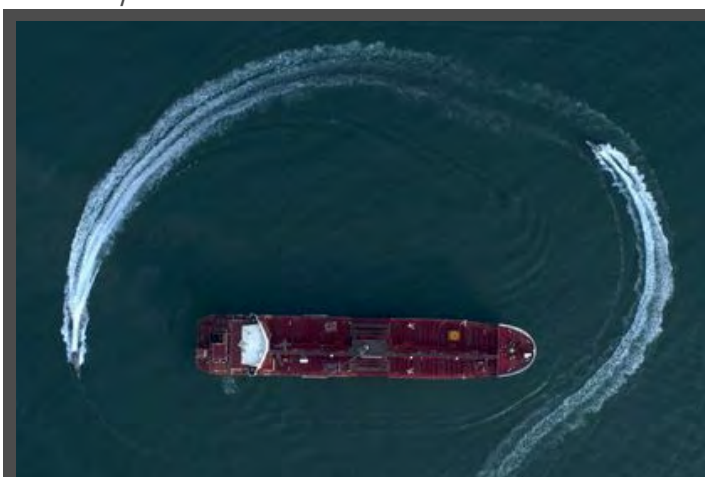
Consequently, Iran is likely to engage in activities that will run contrary to U.S. interest’s region-wide for some time yet.

Due to the geopolitical sensitivity of the region and the potential impact of any conflict, limited or otherwise, the tangible threat of vessel seizures and limpet mine attacks in the Persian Gulf is often misrepresented as being severe. The number of incidents, when compared to daily ship traffic in the region, suggests a very low probability of incident.

Since May 2019, fewer than 20 vessel detentions and seizures have been attributed to Iranian activity in a region that sees some 33,000 transits annually. In comparison, in 2020 there were 76 actual and attempted attacks off the Gulf of Guinea. Moreover, no crew members captured by Iran were killed or kidnapped. Meanwhile, in the Gulf of Guinea, 136 crew were kidnapped in 2020. However, commercial entities trading within the Persian Gulf should remain mindful of the complex threat dynamics and how these may evolve. Iran’s maritime actions are not a persistent and indiscriminate threat to wider commercial shipping.

Instead, they are better understood as specifically targeted actions against states who are perceived by Iran to compromise its national interests. Examples of this include the detention of the British flagged Stena Impero, the seizure of a South Korean vessel in response to the South Korean government freezing Iranian financial assets, incidents involving three vessels from Saudi Arabia and the UAE who are engaged in a proxy war with Iran in Yemen, and a Liberian ship which was seized briefly because of connections to a Greek company that may have had previous dealings with Iran over oil shipments to Venezuela.

Despite Iran regularly threatening to blockade the Strait of Hormuz, such a strategy is highly unlikely.



*Aerial view of an image released by Iranian media purports to show boats from Iran's Islamic Revolutionary Guard Corps moving around the British-flagged oil tanker Stena Impero*







*Straits of Hormuz as seen on Dryad Global's Atlas worldwide security monitoring platform*

Any blockade would be fiscally ruinous, militarily impossible, and could alienate states sympathetic to Iran and opposed to America's presence in the region. Blockading the Straits of Hormuz would also undermine Iran's strategy of portraying the U.S. as a belligerent force in the region. There would be an immediate and justifiable military and economic response from the U.S., its allies, and probably many non-aligned states, which would further impact the Iranian economy and likely drive domestic instability. It could also increase the speed that states in the Middle East normalise relations with Israel, particularly Saudi Arabia, which is very much against Iranian interests.

For maritime security conditions to improve in the Persian Gulf, the U.S. and Iran would need to return to compliance with the terms of the JCPOA. The US would likely have to make significant economic concessions, including substantial sanctions relief and potentially offering financial incentives for the removal of nuclear infrastructure.

“Any blockade would be fiscally ruinous, militarily impossible, and could alienate states sympathetic to Iran and opposed to America's presence in the region.”

These terms are highly unlikely amidst the current fractious U.S. political climate. Moreover, to assure the Iranians that the U.S. will not withdraw from a new agreement if the Democrats lose the Presidency in 2024, any new deal will also need the support of at least some elements of the Republican establishment, a difficult proposition as most Republican voters still support former President Trump.

There are several precautions that vessels operating in the Persian Gulf could take. Robust cyber defences are imperative to protect against the cyber-phishing, GPS spoofing, and jamming that Iran has used to cause vessels to accidentally travel into its territorial waters, where they are captured under legally justifiable pretences.

While some might recommend the use of unarmed security advisors, Dryad Global does not. Any personnel not actively involved in the operation of the vessel are at risk of increased scrutiny and suspicion and would increase the risk of vessel and crew detention. Iran has previously used the auspices of espionage to justify spurious detentions of foreign nationals, the presence of unarmed advisors would significantly increase this risk, whilst offering limited mitigation. Given the targeting of specifically flagged vessels by Iran, operators could consider re-flagging vessels to a state that has neutral relations with Iran. Whilst convoluted and logistically cumbersome, the longer-term benefits of mitigated trade risk may justify the means. Although the risks from more traditional forms of maritime crime remain low, operators in the Persian Gulf should continue to be mindful of the potential for such activity to occur and adhere to industry standard mitigation, including the conduct of impartial risk assessments.

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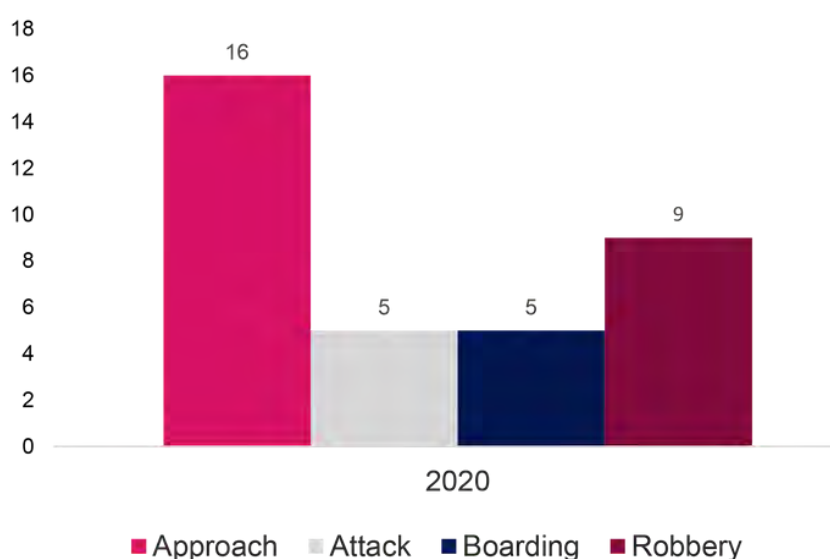


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# INDIAN OCEAN

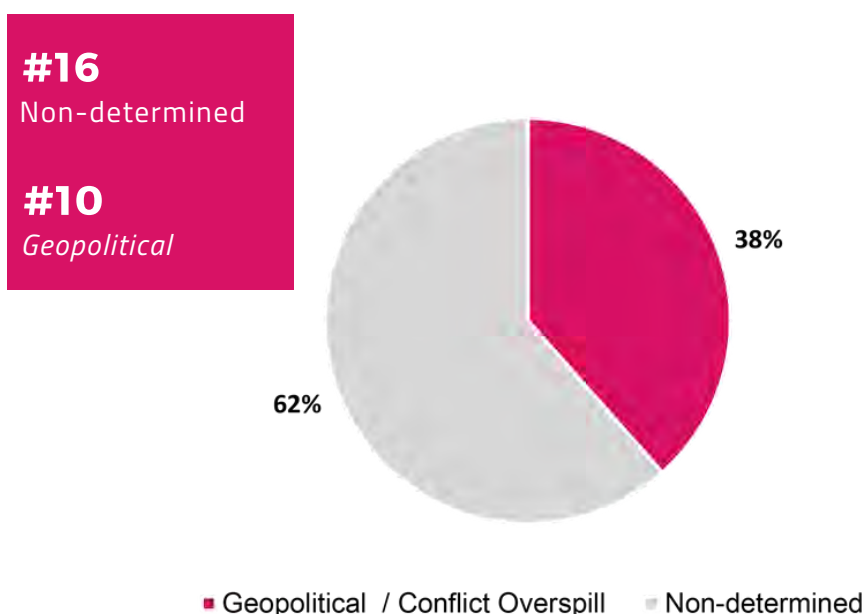
## OVERVIEW

### INDIAN OCEAN INCIDENTS 2020



Incidents reporting in the Indian Ocean throughout 2020 show that the volume of incidents remains low, across all incident classifications. Reporting themes signify a fundamental shift in the risk profile within the Indian Ocean, from one of piracy and maritime crime to one of geo-political turbulence and conflict overspill.

### INCIDENT CATEGORIES 2020

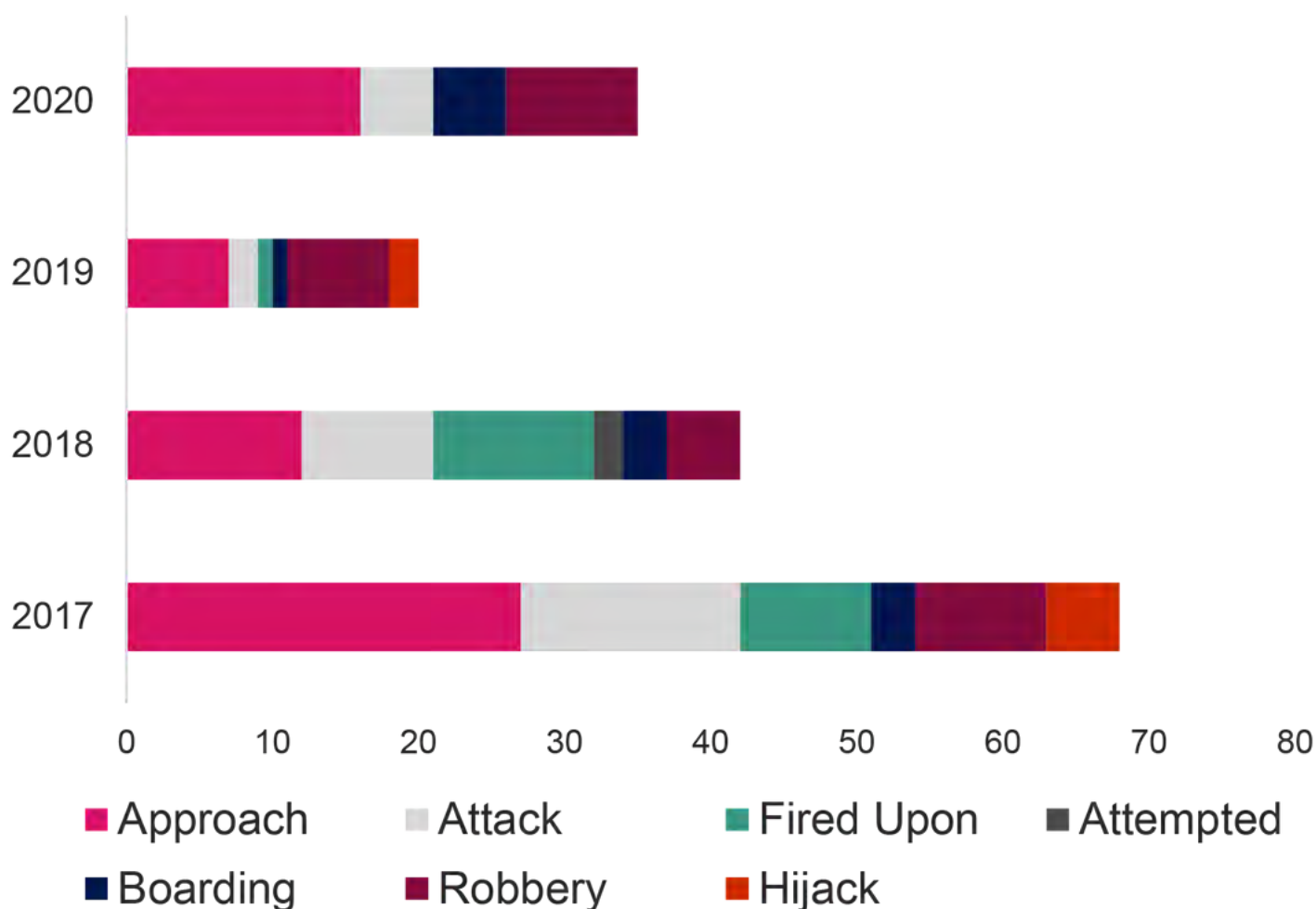


Whilst the region continues to be influenced by complex security dynamics, 2020 saw further confirmation of the shift in the maritime risk profile in the Indian Ocean from one underpinned by acts of piracy to one more influenced by geopolitical uncertainty and conflict overspill. Incidents designated as undetermined held neither characteristics corresponding with geopolitical events or piracy.

*\*See appendices for incident classification criteria & data notes.*

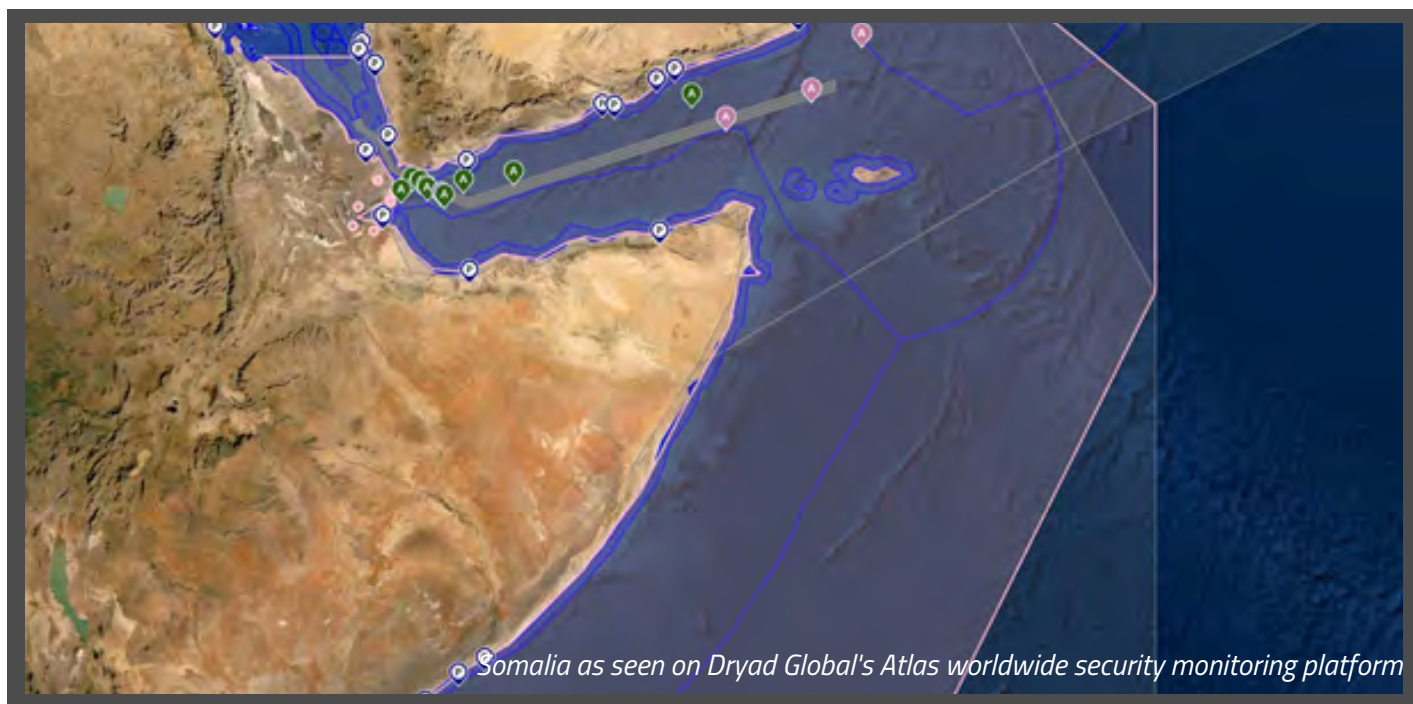


## INCIDENTS LAST 4 YEARS



Incidents across a 4-year timeframe indicate a general decline in incident volumes. Despite this, incidents of robbery have remained moderately consistent throughout the region. Incidents indicative of acts of piracy have declined significantly across a 4-year timeframe, a trend further confirmed when analysed against thematic reporting of regional events.

*\*See appendices for incident classification criteria & data notes.*



## What is the state of Somalia and could the region return to piracy?



Analysis by  
**Kate Backshall**  
Dryad Global

Ensuring onshore socioeconomic stability remains key to repressing a resurgence of piracy in the Indian Ocean.

The lack of maritime security incidents which compromised vessel and crew safety within the Horn of Africa in 2020 is continued evidence that piracy within this region remains dormant. This is a direct result of international efforts to secure the surrounding waters and increased onshore stability.

Despite the lack of piracy, Somalia's improved socioeconomic situation is fragile. In the longer term, a deterioration in conditions could provide the motive for existing and highly capable pirates to resume a once profitable activity. Piracy flourishes when conditions become desperate ashore.

“ *Mismanagement of the election has the potential to ignite violence between Somalia’s states and opposing parties if the results are contested.* ”

There are three key emerging challenges to Somalia’s stability in 2021 which risk recreating the conditions that drove individuals to piracy at the height of the problem a decade ago. These are the economic situation, the security vacuum left by troop withdrawals, and regional and domestic conflict.

Somalia’s economic situation is strained. Illegal fishing continues to undermine Somali livelihoods; remittances which normally support up to 40% of Somalis have been reduced by up to 50% in some areas due to COVID-19, and natural disaster is exacerbating food insecurity with both drought and the worst locust swarm in 25 years sweeping the country.

The COVID-19 pandemic has also impacted funding received by aid organisations working in the country, which may constrain their ability to react effectively in an increasingly unstable environment.

On the orders of President Trump, US troops withdrew from Somalia in December 2020. This is at the same time that Somalia’s neighbour Ethiopia has become embroiled in an internal conflict between government forces and the Tigray Regional Government. This has resulted in peacekeeping troops being re-deployed from Somalia.



*The release of three Iranian crew members on 20 August 2020 marked a perceived end to the era of Somali piracy.*

Fallout from this conflict may destabilise the wider region and create a power vacuum for the terrorist group Al-Shabaab to exploit. It already has a strong footing in the Somalia and has previously expanded into territory from which troops have been withdrawn. Finally, Somalia’s national election was scheduled for February 8th but has been delayed as negotiations between the central government and federal states have failed.

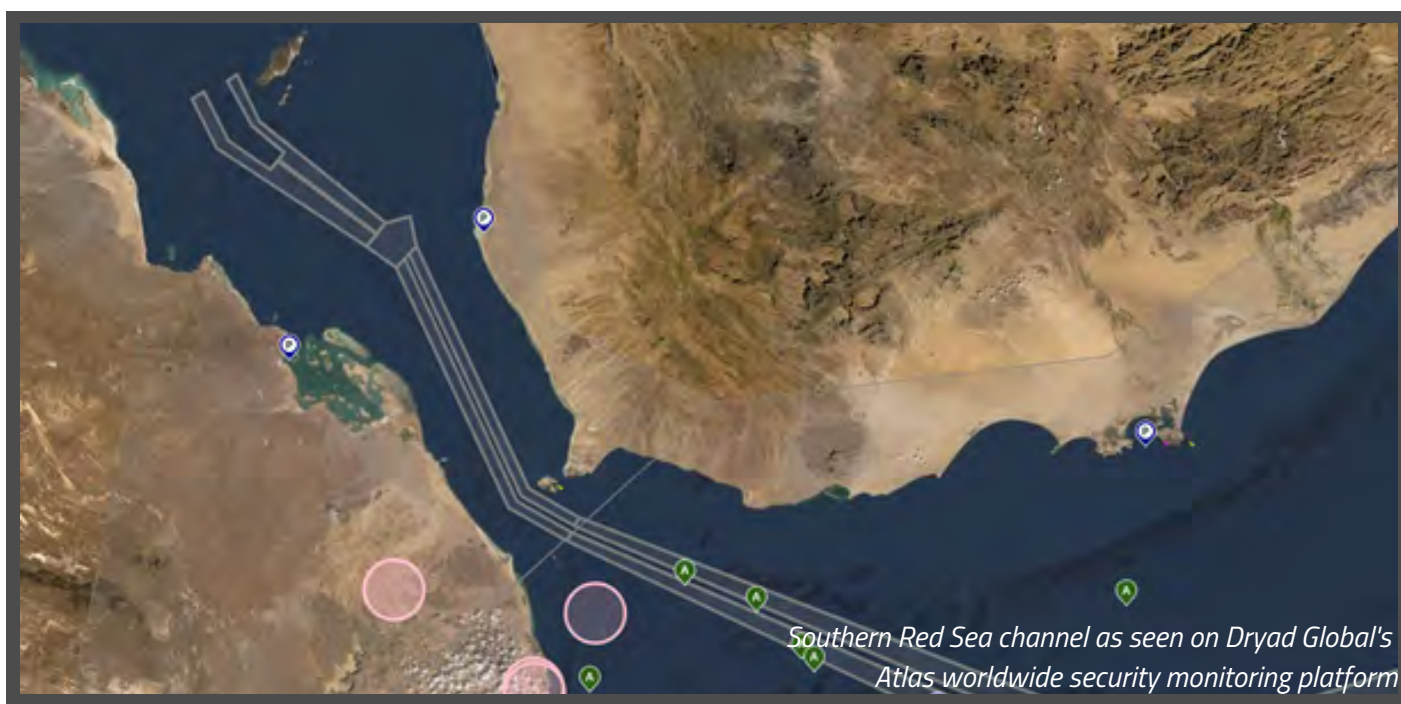
These combined threats could overwhelm Somalia’s capacity to provide the internal stability which has contained piracy. Added to these issues, Somalia has not been unaffected by the proxy fighting in the Red Sea region either. UN security forces have noted the conflict has facilitated the trafficking of regular shipments of arms into Somalia and Yemen from Iran. Thus, a return of the offshore risk cannot be ignored in the medium to long term.

[Find out more about Indian Ocean security solutions](#)





# YEMEN



## Have proxy tensions in the war in Yemen impacted Red Sea maritime security?



Analysis by  
**Kate Backshall**  
Dryad Global

As the Yemen conflict enters its seventh year, the global puppet masters in the region, Iran and Saudi Arabia, are showing limited appetite for a resolution to end the suffering of Yemen's population, around 80% of which need humanitarian assistance.

As a strategic channel for the transportation of oil between the Middle East, Africa and Europe, the Red Sea will continue to grasp the attention of the global community and it will remain used as a stage to showcase geopolitical tensions. There was a rise in maritime security incidents in the Red Sea in 2020, primarily because of the worsening relations between the US/Saudi Arabia and Iran.

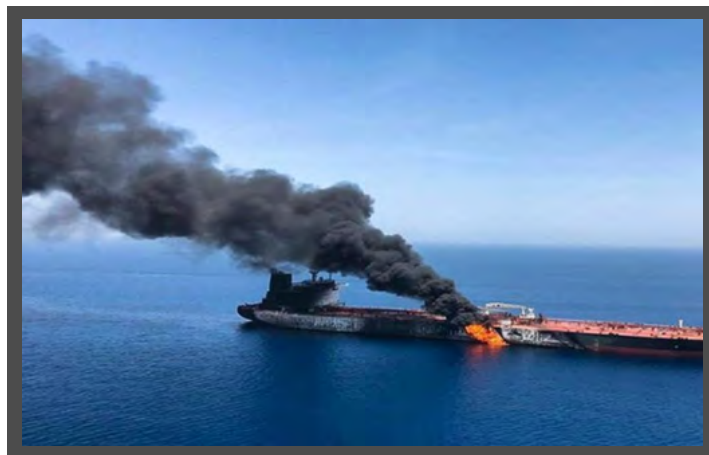
Saudi Arabian energy infrastructure has consistently been targeted with missiles and drones ashore, but recently maritime assets have increasingly become targets of choice.

“ *Comparative trends of incidents and attacks indicate a strong preference for the targeting of onshore infrastructure.* ”

Incidents were carried out by Iranian-backed Houthi rebels from Yemen, known as Ansar Allah, and included Water Borne Improvised Explosive Devices (WBIEDs) and allegedly placing 171 sea mines in the Red Sea, which the Saudis claim to have since found and destroyed.

Consequently, the risk to wider commercial shipping currently remains moderate. However, due to the indiscriminate nature of attacks, particularly in the vicinity of the Saudi / Yemen border, vessels calling at ports within this location should ensure considerable pre-transit due diligence is conducted. These incidents have resulted in an increase in war risk insurance rates for vessels visiting the ports of Jeddah and Yanbu.

The region's stability hedges considerably on regional power plays.



*Singaporean flagged MT BW RHINE on fire after the vessel was 'hit from an external source whilst conducting discharge operations at Jeddah*

Therefore, the election of a new government in the US, which has altered the US's role in the Red Sea region, has the potential to turn down the heat in the conflict somewhat. Toward the end of his term, President Trump rushed through measures to appease the US's Saudi allies while applying the 'maximum pressure' campaign against Iran, which partly explains the heightened tensions in the proxy conflict in Yemen.

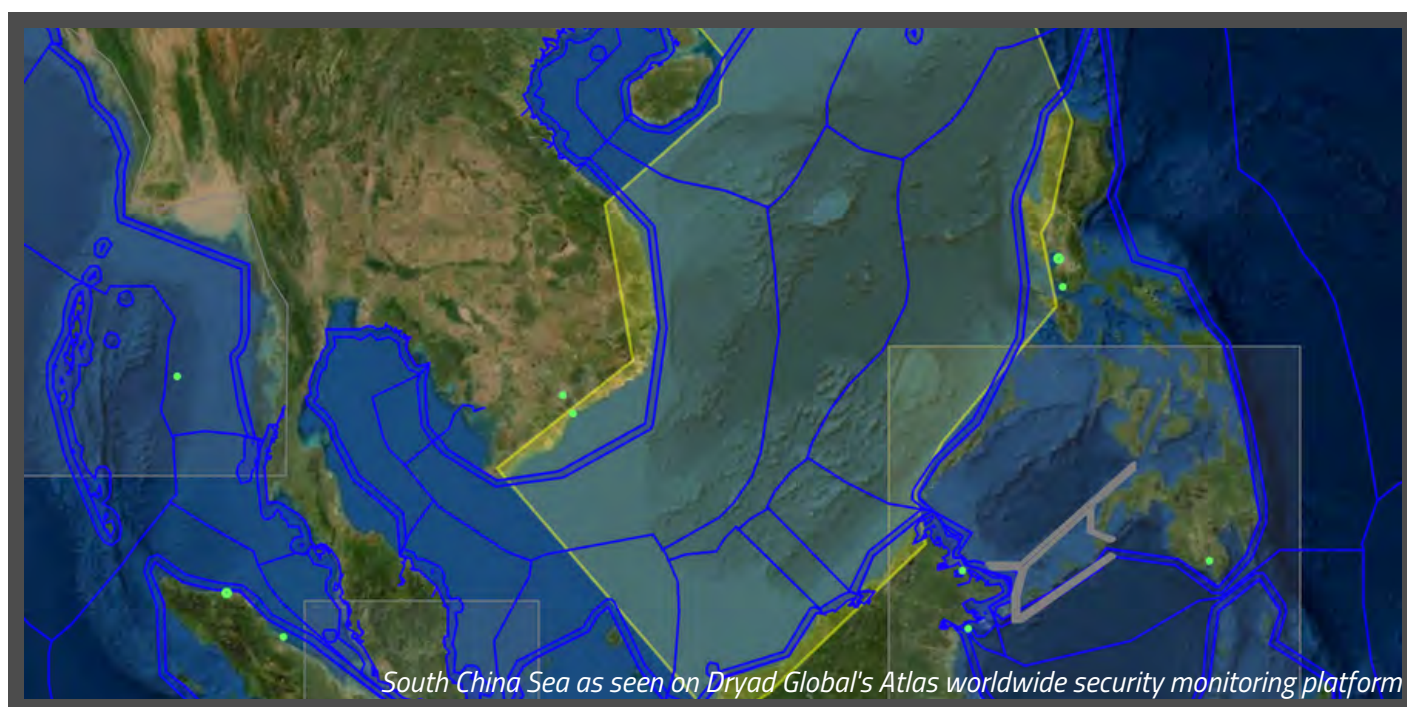
President Biden has since reversed some measures which risked exacerbating the humanitarian crises further, such as reversing the decision to designate the Houthi rebels as a terrorist group and now negotiations with Iran regarding reinstating the JCPOA deal are back on the table too.

Any negotiations will likely play a significant role in determining the success of any de-escalation measures in the Red Sea region in the medium term. However, in the short term, the situation remains unsettled and Houthi rebels have been advancing into new territory. **It is too early to determine whether this strategic shift by the US will make headway in Yemen, but it is unlikely to quickly resolve this relentless conflict.**



*Dryad Global's Phil Diacon talks to Al Jazeera following an explosion at Jeddah anchorage in December 2020.*

# SOUTH EAST ASIA



## What threat does China pose within the South China Sea?



Analysis by  
**Dorottya Zsiboracs**  
& **James Welsh**



The South China Sea (SCS) is a key region for Chinese power projection and territorial ambition. However, China's bullish behaviour in the SCS masks its vital economic need for sustained diplomacy in the region.

As a crucial region in global trade, both the likelihood and commercial impacts of conflict in the SCS is a troubling long term projection for analysts and shipping companies alike. Tensions in the SCS are a multilateral issue with multiple claimants to territory, including Brunei, China, Indonesia, Malaysia, the Philippines, Taiwan, and Vietnam.

Japan, South Korea, Australia, and the United States also have geo-strategic interests that will continue to influence the region's future. The multilateralism of the region makes a resolution of territorial claims difficult, and tensions will likely continue to fluctuate in the coming months and years.



“*The Chinese ‘Maritime Militia’ operate as an unattributable source of intimidation, ramming and sinking vessels that operate in proximity to China’s claimed territory.*”

However, conflict and disruption to trade is not in the interest of any key claimants, particularly China, 40% of China’s trade, and 60% of oil imports flow through the SCS to Chinese ports. In the short term, the multipolarity of the SCS is likely to provide an element of stability.

Vessels which actively seek to challenge China’s claim to the archipelagos within the SCS are at greatest risk of Chinese intimidation, as demonstrated in incidents involving Filipino and Vietnamese trawlers fishing in the contested waters within China’s ‘9-dash line’.

The Chinese ‘Maritime Militia’ operate as an unattributable source of intimidation, ramming and sinking vessels that operate in proximity to China’s claimed territory. The maritime militia contributes to China’s ‘Cabbage Strategy’, where vessels are placed in a ‘layer-like’ formation around the islands of contention, denying access to waters and gradually shifting the status-quo of control. Militia fleets have little to no interaction with commercial vessels because of their proximity to militarised archipelagos and subsequent distance from shipping lanes.

Consequently, the risk to commercial shipping is unlikely to increase.



Fishing boats also commonly referred to as the Chinese Maritime Militia leave a harbour in China's Zhejiang Province.



Arleigh Burke-class guided-missile destroyer USS Russell in the Pacific Ocean.

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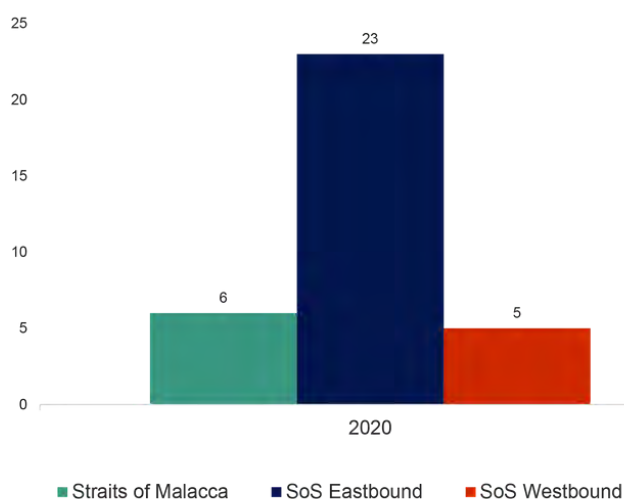


# SOUTH EAST ASIA

## OVERVIEW

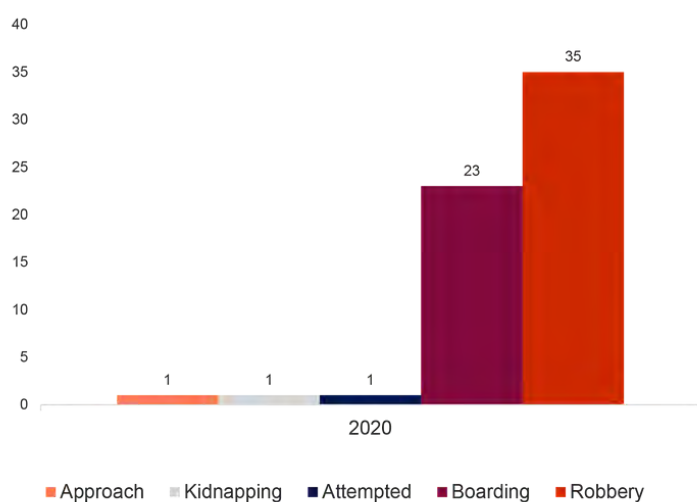
*\*See appendices for incident classification criteria & data notes.*

### GEOGRAPHICAL BREAKDOWN



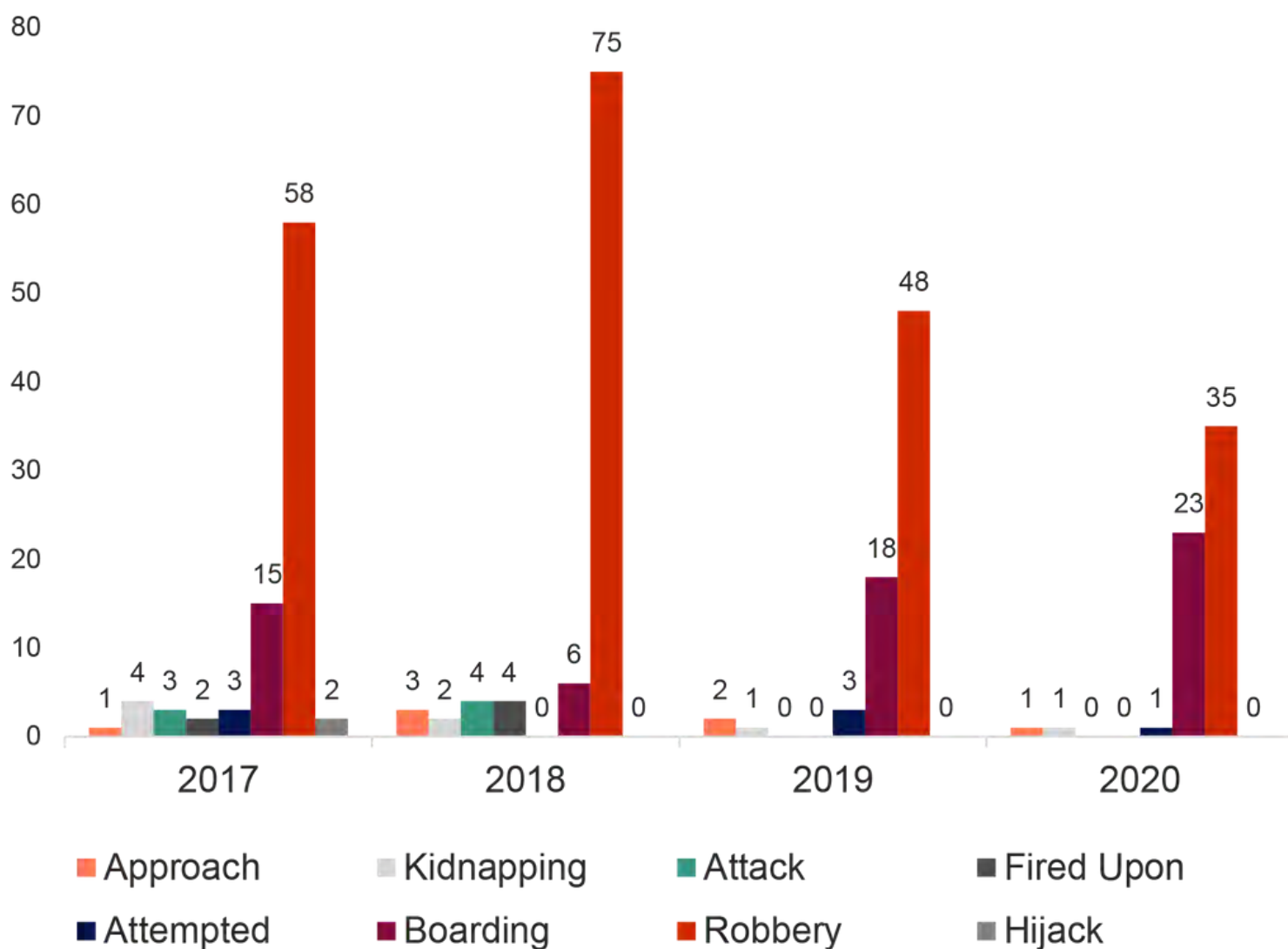
With the highest density of maritime traffic in the region, the Straits of Malacca and Singapore are the focal point of maritime crime in South East Asia. The confluence of nearby economic disparity, population density, and a narrow geographic passage, creates ample opportunity for vessel robbery in the SoM & S. The lack of kidnapping and vessel hijackings is indicative of the low-level petty, poverty-induced nature of maritime crime in the region.

### 2020 INCIDENTS



2020 data shows that South East Asia continues to be the global heartland of low level maritime crime within 2020. Incidents of vessel boarding and robbery are predominantly localised within the Straits of Malacca and Singapore, and Manila in the Philippines. The relatively high volume of incidents within a comparatively small geographic area signals a potential requirement for strengthening multilateral regional monitoring and pooling of maritime security resources.

## INCIDENTS LAST 4 YEARS



Reporting trends within South East Asia continue to be disproportionately driven by incidents of low-level maritime crime. The confluence of a high volume of opportunistic targets and significant wealth inequality among the littoral states in the region are likely to be primary drivers of such activity.

*\*See appendices for incident classification criteria & data notes.*



# STRAITS OF MALACCA & SINGAPORE



Is an unequal balance of rich and poor driving maritime crime within SoM&S?



Analysis by  
**Sarah Knight**  
Dryad Global

There is significant wealth disparity between littoral states in the SoM&S, the GDP per capita of Singapore is 6 times greater than Malaysia and more than 15 times greater than Indonesia.

The uneven economic development across the SoM&S region has left millions behind and many coastal communities face high levels of poverty. This has been exacerbated by COVID-19's negative impacts on the global economy, following previous trends of economic downturn triggering an increase in maritime incidents. The widespread deprivation within Malaysian and Indonesian coastal communities and access to attractive targets is a key driver of piracy in this region. It is, therefore, of little surprise that most perpetrators of maritime attacks in the region come from coastal communities and use piracy to supplement their livelihoods.

**Armed robbery is the primary threat to commercial shipping in the SoM&S.**

“*There was a 9% increase in incidents in 2020 compared to 2019 but still far below the 99 recorded in 2015.*”

**In 2020, there were 34 incidents of maritime crime in the Singapore Strait. Of these incidents, 30 occurred in waters funnelled between Singapore, Malaysia, and Indonesia's Riau Islands.**

Most maritime incidents in the SoM&S occur during darkness hours. Typically, small groups of assailants armed with knives and makeshift weapons board vessels with limited vessel hardening to steal engine spares or vessel stores. Those seeking to commit maritime robbery are motivated by poverty and the confluence of nearby wealth inequality, population density, and a narrow geographic passage, creating ample opportunity for vessel robbery.

The lack of kidnapping and vessel hijack is indicative of the low-level petty, poverty induced nature of maritime crime in the region. The success of low-level maritime criminality within the SoM&S has created conditions where the risk of similar or more ambitious incidents in the short to medium term has increased. The regional imbalance of wealth and poverty is also unlikely to significantly improve soon, leaving people desperate and frustrated enough to continue targeting passing vessels, judging that the minimal risk of capture is far outweighed by the potential reward.



*Vessels navigating in the Straits of Malacca and Singapore are required to comply with the 'Rules For Vessels Navigating Through the Straits of Malacca and Singapore' adopted by the IMO Maritime Safety Committee 69 in 1998.*

Economic adversity following the coronavirus outbreak will see a further increase in maritime incidents in the next year. Steps taken by the littoral states so far, such as ReCaap's monitoring, US naval training and the restructuring of the Singaporean Maritime Security Taskforce in February 2020, have failed to consistently prevent increases in incident volume in recent years.

With greater regional effort, the SoM&S could be effectively patrolled at a local level and with a less militaristic posture, to reduce maritime crime. Until the Singaporean, Indonesian and Malaysian navies and coast guards develop a more effective, integrated procedure for responding to incidents and apprehending assailants, all vessels transiting through the straits should operate at a heightened posture of alert for boarding's and armed robbery by capable perpetrators.

# GULF OF MEXICO



## What is the nature of risk to commercial operations within the Gulf of Mexico?



Analysis by  
**Casper Goldman**  
Dryad Global

The probability of maritime crime and piracy within the Gulf of Mexico negatively impacting commercial operators is low. However, a concerning trend is emerging in the Southern Gulf of Mexico states of Campeche, Tabasco and Veracruz. The Gulf of Mexico is home to some 2400 offshore oil production platforms and accounts for approximately 17% of US federal crude oil production, and 5% US federal natural gas production.

Analysis of maritime incident data indicates a strong targeting preference towards low freeboard and opportunistic vessels. The majority of those targeted within the Southern Gulf of Mexico are a mixture of fishing vessels and offshore supply and support vessels. In contrast to prevailing trends in the Gulf of Guinea, piracy within the GoM continues to have more in common with violent armed robbery offshore, perpetuated by disparate groups involved in low level criminality.



“*There is little evidence to indicate any association between offshore incidents and onshore cartel activity*”

Thus far, the lack of persistent threat of kidnappings of crew for ransom indicates a lack of established involvement of serious organised crime. There is little evidence to indicate any association between offshore incidents and onshore cartel activity.

Incident reporting trends indicate a strong trend towards the use of weapons and violence with heavily armed individuals showing both the capability and intent to employ violence as a means of intimidation and coercion in a bid to engage in opportunistic theft. There is currently little evidence of established targeting patterns that would indicate a preference for cargo theft. Most incidents are limited to petty theft of crew belongings, cash, and vessel spares.

There are strong indications that current rates of offshore piracy and maritime crime in the Gulf of Mexico are under reported, with a lack of formalised and coordinated reporting structures. Local news agencies have referred to hundreds of piracy incidents but these have not been verified. A recent MSCI Advisory 2020-008 states that the U.S. government is aware of at least 20 fishing vessels and 35 oil platforms and offshore supply vessels that have been targeted by pirates and maritime criminals since January 2018 in the Bay of Campeche area.



*An oil rig in Campeche Sound in the southern part of the Gulf of Mexico.*

With the significant legal and commercial requirements around the reporting of offshore incidents, it is assessed that attacks against commercial vessels have a degree of consistency in reporting. However, attacks against smaller vessels are likely to be higher. The uptick in incidents in the Southern Gulf of Mexico incidents is nonetheless a worrying trend for commercial operators in the region. It is a realistic possibility that in the medium-term attempts will be made to target larger vessels showing little or no vessel hardening. There are several established capacity building initiatives underway in the Gulf of Mexico between the Mexican Navy and the United States Coast Guard (USCG), which should lead to better coordination of resources and joint responses. However, although the Mexican Navy has increased security measures - notably through a \$12 million investment in a search, rescue, and monitoring station in Dos Bocas, Tabasco - there remains insufficient surveillance and response capability to engage with maritime crime and piracy.

Added to which, spending cuts on diesel fuel have led to a partial decline in the operational footprint of the Mexican Navy, which has forced it to focus its operational efforts against illegal migration, Illegal fishing and search and rescue over combatting piracy and maritime crime.

The negative economic impact of COVID-19 on Mexico resulted in it suffering its worst annual contraction since the 1930s, as GDP fell by 8.5%. This is likely to enhance pre-existing economic deprivation amongst coastal communities and lead to a reduction in critical local initiatives designed to incentivise these communities away from crime. Areas such as Veracruz continue to experience high narco-gang related crime, with sporadic waves of violence including targeted assassinations. With onshore criminal enterprise on the rise, it is a realistic possibility that a similar increase will be seen within the maritime domain.



*A tanker vessel off the coast of Manzanillo, Mexico.*

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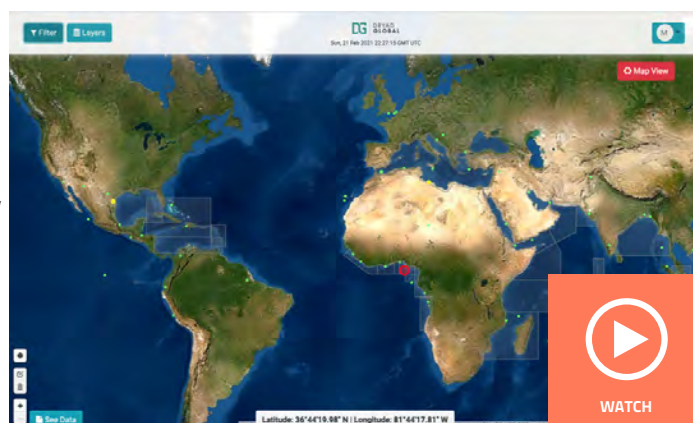
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# APPENDIX 1

## **Dryad Global Incident Classification:**

**Suspicious & Approach** – Vessel was approached by another vessel or has reported sighting of a suspicious vessel, no further activity occurred.

**Attempted Boarding** – Vessel approached and attempt made to board the vessel, no shots fired, boarding fails.

**Attack** – Vessel approached and attempt made to board the vessel, incoming shots fired, boarding unsuccessful.

**Fired Upon** – Vessel approached and incoming shots, no further action (activity may be indicative of activities other than piracy).

**Boarding** – Vessel is successfully boarded, no further action occurs.

**Robbery / Theft** – Vessel boarded, resulting in theft (incident can include a prolonged and complex theft where a vessel is boarded and effectively not under the control of crew for short period, resulting in theft).

**Kidnap** – Personnel kidnapped and taken from vessel or installation.

**Hijack** – Vessel is boarded and command assumed by pirates until such time as vessel abandoned, liberated, or returned via ransom.



# APPENDIX 2

## Data notes:

### West Africa

Graph 1 – All data, 4-year comparison

Graph 2 – For the purposes of comparative study, incidents of robbery have been subtracted from the overall dataset to provide a comparison of incidents involving low level maritime criminality (almost exclusively occurring within Port or at Anchor) against incidents that occur offshore and are deemed to be component parts of incidents of piracy and serious maritime crime.

Graph 3 – Comparative study across 4 years focusing on kidnap incidents and total kidnapped crew volumes.

Graph 4 – Successful attacks are defined from the perspective of operators not pirates. The definition used is “any act where an incident may be reasonably assessed to have compromised vessel or crew safety”. Data set taken for all offshore incidents. ‘Success’ Data: Boarding, Kidnap, Hijack, Fired Upon, Attack. ‘Failed’ Data: Approach, Attempted Boarding.

### Indian Ocean

Graph 1 – All incident data 2020

Graph 2 – All data, 4-year comparison

Graph 3 – Pie chart indicating regional breakdown of incident classification in terms of associated motivating cause across a 12-month timeframe. Geopolitical Incidents – Attack, Boarding Piratical – Fired Upon and Attempted Non-Determined – Approach

### South East Asia

Graph 1 – Overall incident data 2020

Graph 2 – All data, 4-year comparison

Graph 3 – Comparative study of activity within Strait of Malacca and Singapore.

**Data comprises all incident classification.**





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